

JPRS 75354

21 March 1980

USSR Report

USA: ECONOMICS, POLITICS, IDEOLOGY

No. 1, January 1980



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service (NTIS), Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semimonthly by the NTIS, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available through Bell & Howell, Old Mansfield Road, Wooster, Ohio, 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

Soviet books and journal articles displaying a copyright notice are reproduced and sold by NTIS with permission of the copyright agency of the Soviet Union. Permission for further reproduction must be obtained from copyright owner.

21 March 1980

USSR REPORT

USA: ECONOMICS, POLITICS, IDEOLOGY

No. 1, January 1980

Translation of the Russian-language monthly research journal
SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA published in Moscow by
 the Institute of U.S. and Canadian Studies, USSR Academy of
 Sciences.

CONTENTS	PAGE
A Historic Initiative.....	1
To Prevent Tension in Europe.....	3
United States of America: With Old Burdens into the Eighties.....	5
Material Potential in U.S. Foreign Policy Doctrine (V. F. Petrovskiy).....	11
Strikes in the Seventies (S. A. Yershov).....	25
Oil and America's Energy Strategy (Yu. V. Kurenkov, K. I. Mangushev).....	39
Hollywood and TV: From Confrontation to Cooperation* (N. A. Golyadkin).....	54
The United States and the UN Science and Technology Conference (G. S. Sibiryakov, O. G. Pavlov).....	55
The "Nuclear Exports" Act and Its Effects (V. F. Davydov).....	61
Business and Science (I. N. Lesin).....	68

* Not translated by JPRS.

CONTENTS (Continued)	Page
"As Long as We Play We Live...* (V. A. Voyna).....	71
The American South* (N. T. Kaburov).....	72
The Powers that Be* (David Halberstam).....	73
Industrial Tractor Manufacture* (K. M. Baranov).....	74
Government Regulation of Quality Standards (L. A. Konareva).....	75
Book Reviews	
Forecasting: Methods and Applications, by V. G. Klinov....	88
Multinationals as Political Tools, by V. Yu. Presnyakov....	91
Oil Companies and the Government, by R. I. Zimenkov.....	92
Sports in America, by L. A. Zarokhovich.....	93
Thomas J. Watson, Jr.--New U.S. Ambassador to the USSR.....	95
Washington's African Policy and African Studies in the United States (M. L. Vishnevskiy).....	98
Chronicle of Soviet-American Relations.....	111

* Not translated by JPRS.

PUBLICATION DATA

English title : USA: ECONOMICS, POLITICS, IDEOLOGY
No 1, January 1980

Russian title : SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA

Author (s) :

Editor (s) : N. D. Turkatenko

Publishing House : Izdatel'stvo Nauka

Place of Publication : Moscow

Date of Publication : January 1980

Signed to press : 17 December 1979

Copies : 38,000

COPYRIGHT : Izdatel'stvo "Nauka", "SShA -
ekonomika, politika, ideologiya",
1980

A HISTORIC INITIATIVE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80 p 3

[Statement by Gus Hall, general secretary of the Communist Party of the United States of America (11 November 1979 PRAVDA reprint)]

[Text] The historic proposals of General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev concerning the unilateral withdrawal of 20,000 soldiers and 1,000 tanks from the territory of the GDR and his public promise to reduce the number of medium-range nuclear missiles in western regions of the USSR, on the condition that the imperialist countries agree not to deploy new missiles, represent an unprecedented step. This is a bold step. It could mark the beginning of a process which would put an end to the threat of war forever.

The mounting militarization and preparations for war have taken a qualitatively new and extremely dangerous turn in the United States. The build-up of American naval forces in the Indian Ocean is creating a serious threat. The show of American military strength in the Caribbean was a typical example of gunboat diplomacy. The increase of 40 billion dollars in the Pentagon budget will have new serious consequences.

The plan to deploy 600 winged missiles and Pershing 2 missiles in Europe is an extremely dangerous attempt to escalate the arms race, which constitutes a direct threat to the lives of people in the Western European countries.

Reactionaries in the United States have conspired to force a new weapon on the people of the world by fraud. Illusions regarding nuclear war are the most dangerous of all illusions. The price of these illusions could be the destruction of all mankind. The expectation that the Soviet Union will limit its retaliatory strike to European regions when American missiles are launched from European territory is nothing other than self-deception. These 600 new missiles will not save the people of the United States. They will not strengthen Europe's defense.

The intensive sale of weapons to China and Japan is also raising preparations for war to a new level.

The peaceful proposals made by L. I. Brezhnev could bring about a 180-degree turn in world events. Peoples and nations must subscribe to this initiative and accomplish this 180-degree turn--a turn away from the verge of nuclear catastrophe.

8588

CSO: 1803

TO PREVENT TENSION IN EUROPE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80 p 4

[Excerpts from statement by Soviet Minister of Foreign Affairs A. A. Gromyko, member of the CPSU Central Committee Politburo, at a press conference in Bonn on 23 November 1979 (25 November 1979 PRAVDA reprint)]

[Text] Those of you who are present are well aware that the plan to deploy new types of medium-range nuclear missiles in Western Europe arose some time ago in certain NATO circles. We think it would not be wrong to say that the impetus here is apparently coming from the Pentagon or circles close to it....

We will do everything within our power to prove, with the aid of the appropriate arguments, that the deployment of this weapon is not the way to achieve detente and improve the situation in Europe. On the contrary, this is a way to exacerbate the situation in Europe and escalate the arms race. This is the beginning of a new stage, a new spiral in the arms race. And this is not a matter involving some kind of plaything, but a nuclear missile.

You know that this issue was most thoroughly investigated in L. I. Brezhnev's recent speech in Berlin, at which time he categorized these plans and the position of the governments of NATO countries supporting the plans, including the FRG....

There is another important aspect of the matter which requires elucidation because I am not certain that the press representatives in this hall are keeping an eye on it. This is the principle of equality and equivalent security. When L. I. Brezhnev and President Carter met in Vienna and signed the SALT II treaty, both sides expressed satisfaction with the fact that the talks were conducted on the basis of this principle. For that matter, countless statements have been made in regard to the current approximately equal strength of the East and West. Now, all of a sudden, representatives of the Western countries, including the United States, are alleging that there is no equality, and that it will only be achieved, in their opinion, after the previously mentioned NATO plans have been carried

out. I ask you: When did the American President express the actual position of the United States? Today or in Vienna? One contradicts the other. In fact, it would be precisely the implementation of the plans to deploy new types of nuclear missiles in Western Europe that would violate the power equilibrium, the presence of which has been noted dozens of times in the past by leaders of the NATO countries.

8588

CSO: 1803

UNITED STATES OF AMERICA: WITH OLD BURDENS INTO THE 1980'S

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 5-9

[Text] The world has entered the next to last decade of the 20th century. Changes, unprecedented in terms of developmental rates, have taken place in all parts of the world in the last 10 years.

The process of popular struggle for independence and national self-determination and against dictatorship and imperialist exploitation and aggression quickly took on strength.

The popular struggle to consolidate peace, to stop the arms race and to eliminate the danger of nuclear war took on unprecedented dimensions.

The entire world knows that the deciding role in the positive development of international affairs has been played, and is still being played, by the Leninist foreign policy of the Communist Party of the Soviet Union, the strength of the Soviet State and the inspiring achievements of real socialism.

The process of change did not bypass the United States either. Ruling circles in this nation took a largely new approach to world affairs just before the 1970's and in the early part of the decade. As a result of these circles' acknowledgement of the changing world balance of power, the Republican Administration officially recognized the principle of peaceful coexistence by states with differing social structures and agreed to engage in constructive talks with the Soviet Union in regard to a broad group of problems of vital importance, both to the security of the USSR and the United States and to the increased security of all nations and peoples. The era of the relaxation of international tension began.

The word "detente" acquired a prominent place in the American political vocabulary. The United States had to stop its aggression against the people of Indochina and go back home.

More important and varied agreements were concluded between the United States and USSR during the first 2 or 3 years of the 1970's than in the entire preceding history of Soviet-American relations. The most important documents were the Fundamentals of Interrelations Between the USSR and the United States, the agreement on the prevention of nuclear war, the provisional agreement on some measures in the limitation of strategic offensive weapons (SALT I), the treaty on the limitation of missile defense systems, the general agreement on contacts, exchanges and cooperation and several documents on cooperation in specific fields--for example, in the peaceful use of atomic energy, in transportation, in agriculture and in world ocean studies.

The turnaround in Washington's policy from confrontation with the Soviet Union to a willingness to promote detente, reduce the danger of war and conclude agreements on active joint or parallel steps to settle crises or conflicts transcending the bounds of bilateral relations (as, for example, in the Middle East) inspired realistic hopes that the cause of peace and stronger international security would acquire a more solid foundation than ever before. These hopes were justified all the more by the declarations of U.S. and Soviet determination to continue constructive negotiations, including, and primarily, with respect to the further limitation of strategic offensive weapons.

These extremely positive changes evoked an exceptionally favorable response from the people of the United States: After all, they were affording the broadest opportunities for the rechanneling of colossal resources to fill the needs of the civilian economy, and for the effective search for solutions to such painful domestic problems as chronic economic difficulties, unemployment, inflation, the crisis of the cities, environmental pollution and so forth.

These hopes, however, have been dealt the most severe blows. Subsequent events demonstrated the scales of the influence possessed in the United States by forces cherishing totally different hopes and aspirations. These forces, representing primarily a military-industrial complex that was swollen to excessive dimensions and the more hard-headed political and business circles, had just begun to intervene when they were faced by positive changes in the world and in the United States itself, at which time they changed their tactic to one of frenzied attacks on detente. They skillfully took advantage of such aspects of U.S. political life as the sharp exacerbation of disagreements in the top echelons of the power structure and the atmosphere of the Watergate scandal. They used every opportunity to discredit positive changes in national foreign policy in the eyes of the American public. Under the guise of worries about "national security," the "hawks" began to agitate more vigorously for the "correction" of Washington's foreign policy in a direction which was the opposite of detente.

This zealous campaign quickly produced results. The head of the reorganized Republican Administration, G. Ford, soon "withdrew" the word "detente"

from circulation and set forth a "new" concept--"power-based peace and negotiation"--which quite unequivocally sounded like a declaration of the intention to make another attempt at squeezing U.S. foreign policy into the rotten framework of politics from a "position of strength."

Detente, however, had already displayed a powerful dynamic. The factors which had predetermined the vital necessity for the United States to conduct further negotiations with the Soviet Union had not disappeared either, although these negotiations were seriously complicated more than once by Washington's clearly unrealistic approach and its attempts to gain unilateral advantages at the cost of disregarding the interests of its partner in the negotiations.

Predictably, all such attempts failed. The realistic approach prevailed, even though it required around 7 years to do this. In June 1979, General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev and U.S. President J. Carter met in Vienna and signed the SALT II treaty, the joint declaration on the principles and basic aims of subsequent strategic arms limitation talks and other Soviet-American documents.

In this way, Moscow and Washington appeared to have signalled once again to the entire world that the USSR and the United States intended to continue cooperating in the interest of stronger bilateral relations and international security in general.

At the same time, however, other signals, which disturbed the world, also came from Washington: The military-industrial complex and the political figures most closely connected to it closed ranks, so to speak, and threw themselves into a headlong attack on SALT II. In addition, President J. Carter himself and Secretary of Defense H. Brown hastily announced, almost immediately upon their return from Vienna, that regardless of the treaty, the United States intended to continue building up its military strength and increasing "defense" appropriations.

On the assumption that America had recovered from the "Vietnam syndrome," U.S. political and military leaders once again began to speak loudly about U.S. "commitments" in all parts of the world, about "defense perimeters" far from U.S. boundaries, and so forth. Intensive work began on programs for the development of neutron bomb components, the "MX" and "Trident" missile systems and strategic winged missiles. The military-industrial complex obviously has no reason to worry about its profits: Budget appropriations for military needs on the threshold of this decade exceeded 150 billion dollars (in current prices).

Programs for the expansion of American military presence far beyond U.S. boundaries were once again the object of heightened interest. These include the program envisaging the Western European deployment of approximately 600 additional medium-range missiles, or so-called "Eurostrategic

weapons," aimed at the Soviet Union, and simultaneously increasing the danger of nuclear destruction for Western Europe itself. American military strength is being built up in the Indian Ocean (the base on the island of Diego Garcia is being enlarged and the plans for the creation of a 5th Navy, to be permanently stationed in the Indian Ocean, are being considered) and in the Middle East (the creation of a U.S. Middle East Command is already being planned), and special "rapid response" forces are being set up to perform police functions throughout the developing world. All of this is ostensibly dictated by the "need to protect the vital interests" of the United States. To make all of this even more convincing, the myth of the "Soviet military threat" has been revived.

The "Chinese card" began to be played with relish for the purpose of escalating tension on the USSR's eastern borders and making use of Beijing's anti-Sovietism in the long-range strategic plans of Washington and of NATO as a whole.

This obvious increase in Washington's military and political activity on the global scale and the ostentatious escalation of military spending--by a minimum of 3 percent in real terms, and now a 5-percent annual rate of increase is already being considered--were interpreted by many in the United States as proof of the desire to bring back the days of maximum international tension or, more precisely, the days of the cold war.

This is the nature of one of the heaviest and most dangerous burdens, both for itself and for other countries, that the United States has carried over from the 1970's into the 1980's.

"Militarization," writes prominent American economist V. Perlo, "will inflict severe damage on the American people, both in the socioeconomic and in the political spheres:

"Militarization is the chief 'motor' of inflation, which is perceptibly lowering the standard of living of the working class;

"Militarization forces the workers to shoulder a heavier tax burden and absorbs the federal funds that are so needed for social programs;

"Militarization increases unemployment, as defense production gives jobs to much fewer people than civilian production with the same cost;

"Militarization is a significant factor contributing to the decline of the dollar exchange rate in the international currency market;

"Militarization strengthens the position of opponents of trade with the socialist countries against the interests of millions of workers and many companies.

"From the political standpoint, the increasing strength of the military-industrial complex reinforces the position of the most reactionary and

belligerent circles in big business, militarists and their political agents, the most dangerous enemies of the labor movement, and racists. But the most serious thing, in the final analysis, is the fact that it increases the danger of war, including nuclear war."

Under these conditions, the extremely pessimistic forecasts regarding the United States in the 1980's are not surprising. The nation's economic prospects have particularly disturbed American experts. The burden of the already chronic "recessions," inflation, the energy and ecology crises, unemployment and a multitude of other social problems is being carried over into the new decade. "In the economic sense, the last decade was fairly bad," states the business community's press organ, FORTUNE magazine, and goes on: "There has been a break with the past--the abrupt and unexpected deterioration of economic conditions. The economic illness can be seen in two increasingly alarming symptoms: galloping inflation and the standstill in productivity. As a sign of the serious disruption of the normal functioning of the economy, the deceleration of productivity growth rates is an even more alarming symptom than inflation. Without an increase in labor productivity, per capita production volume will not grow, and society will be preoccupied with disputes over how the pie should be divided.... In the 1980's we will undoubtedly witness the growth of the portion allotted for defense.... We will not see stable prices in the 1980's.... Even the maximum rate of economic growth we have reason to expect will not solve our economic problems."

The magazine admits that cuts in government spending would benefit the economy and the society as a whole, since this would mean that "more would remain for more productive needs." FORTUNE does not make any direct recommendations regarding ways of cutting federal spending. In particular, it makes no disparaging remarks about the "holy of holies"--the dimensions of arms race appropriations. Researchers from the Washington Institute for Policy Studies, however, have analyzed the federal budget and calculated that if the United States were to renounce its policy of military intervention abroad and radically reduce its overseas armed forces, the federal budget could be consistently reduced by around 54 billion dollars. And this is approximately, for instance, more than one-third of the funds required for a program, with an estimated cost of 142 billion dollars, for the development of new sources of energy, the production of liquid synthetic fuel and the development of public transportation.

The stubborn attempts of influential forces in the United States to breathe new life into the politics of strength--this heavy and dangerous burden from the past--have acquired a "boomerang effect," and not only with respect to the internal situation in the United States. This effect is becoming increasingly apparent in the foreign political and foreign economic positions of the nation. This would seem to be attested to by the wave of anti-Americanism spreading through the developing countries--in Iran, Pakistan, Libya, Turkey and many African countries. In the latter case, this is particularly due to the overt and covert support of

the racists in Salisbury and Pretoria by the United States and its NATO allies.

A stronger offensive is being conducted against U.S. proteges, such as Nicaraguan dictator Somoza and Iran's shah, who have been overthrown by the people. The Pinochet regime in Chile, the Stroessner regime in Paraguay and others are tottering.

The increasing indignation throughout the world at the foreign and economic policies of American imperialism and the strengthened resolve to oppose its claims to "global special interests" are quite eloquently attested to by the results of such world forums as the Havana conference of heads of state and government of the non-aligned countries in September 1979, attended by representatives of countries with a combined population of around 1.5 billion. "The major defeat suffered by the United States at the conference," U.S. NEWS AND WORLD REPORT acknowledged, "could poison the life of Washington for many years.... We have not been able to stop the tendency toward radicalism in the movement of the non-aligned countries.... The tone of the conference was definitely anti-American.... The non-aligned countries announced that the United States and Western Europe were responsible for South Africa's racial policy; they unanimously objected to the maintenance of the American Guantanamo Base in Cuba and the American economic embargo against Cuba.... They described the Camp David agreements as agreements depriving the Palestinians of the right of self-determination.... The non-aligned countries also proved conclusively that the United States and other Western powers are playing a dishonest economic game with them; they called for the establishment of a 'new economic order' which would give them a more sizeable share of world economic benefits."

The anti-American wave also engulfed the nations of Western Europe in the 1970's, when Washington tried to force them to agree to the deployment of neutron bombs on their territory. It is quite likely that this wave will reappear, and in stronger form than before, if Washington begins to deploy its "Eurostrategic" nuclear weapons in Western Europe.

During his term at Columbia University as a professor, Z. Brzezinski, now the U.S. President's national security adviser, wrote an article for FOREIGN POLICY magazine and gave it the title "America in a Hostile World."

Who are the people and what are the factors to blame for the increasing display of such feelings about the United States throughout the world?

The answer to this question is naturally a complex one. Among the factors engendering and nurturing the increasing hostility in the world toward the United States, however, the first place can most probably be assigned to the policy of more aggressive imperialist circles to make more active use of "forcible methods" in international relations and their stubborn reluctance to assist in the cessation of the arms race through action rather than mere words. This dangerous burden from the past is casting an ominous shadow over the future of the United States, and even of all mankind, which grew tired of living on mountains of weapons long ago.

MATERIAL POTENTIAL IN U.S. FOREIGN POLICY DOCTRINE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 10-21

[Article by V. F. Petrovskiy]

[Text] Although it is based on the belief that military strength is of primary significance, U.S. foreign policy doctrine also attaches considerable significance to other elements of government power (economics, science, technology, ideology and diplomacy). The current foreign policy doctrine of the United States is aimed at maintaining a balance, first of all, between military strength and other elements of government power and, secondly, between these non-military elements themselves. In other words, there is the assumption that military strength should be supplemented by a complex of measures in other areas.

In view of the fact, however, that this balance is supposed to guarantee the attainment of an excessively general national goal ("survival"), there are no strict limitations on the implementation of theoretical postulates, as a result of which the equilibrium demanded by the doctrine is often violated. Moreover, all elements of government power are generally evaluated from the standpoint of their military strength potential.

Translated into practical language, the implementation of a comprehensive approach to the use of military strength and other existing resources by the United States under the specific historical conditions of the present will necessitate the fuller and more effective use of political, economic, scientific, technical and other means and a search for supplementary potential to maximize the American influence in the development of the international situation. "Although the United States," Z. Brzezinski wrote in 1975, "no longer has as decidedly favorable a position as it had at the beginning of the 1950's, it is still the key force in world politics. In fact, the current crisis has made its role more important than at any other time in the last 10 years. Therefore, the time has come to bury the cliche phrase about declining American power. The central problem today," the author went on to say, "is to redefine the means and methods of using American power in line with present circumstances."¹

This implies the all-out, differentiated use of all elements of government power and, in particular, material potential, including economic and technological capabilities.

By virtue of quite definite class considerations, in studies by American researchers material potential is reduced to mere quantitative indicators: production levels, volumes and growth rates, the state of transportation and communications, energy and raw material resources and scientific and technical achievements. Another, equally important aspect of material potential, the qualitative aspect--the economic organization of society and its production relations, which ultimately determine the effectiveness of economic and technological capabilities, just as the goals of development and the reinforcement of material power--is ignored by American theoreticians. Telling the truth about this would be tantamount to admitting the inarguable advantages of the socialist type of economic organization, which is based on public ownership and the planned and proportional development of production.

The militarization that is characteristic of the United States is having a definite effect on material potential and creating a steady tendency toward not simply interconnection, but even the subordination of several branches of the economy, science and technology to military needs. Through the production of weapons, military equipment and other means of waging war, this potential is immediately involved in the development of military strength. For the sake of militarism, a large proportion of productive forces and scientific and technical achievements are used for military purposes, funds and resources are redistributed among branches of production and military budgets are constantly augmented. An important criterion for the assessment of material potential is now the degree of its readiness for utilization for military purposes (the maintenance of the so-called mobilization base for the safeguarding of national security), which promotes the even more pronounced subordination of the economy, science and technology to the objectives of militarization.

Adhering to the postwar line of solving not only political, but also international economic problems in the American interest, U.S. ruling circles, using the doctrine of "national security" as camouflage, have hoped to profit from the diminished material potential--as a result of World War II--of such rivals as Germany and Japan, as well as England and France, and from the economic and financial difficulties of other countries. In U.S. plans for world supremacy, a prominent place alongside military strength is assigned to America's strong economic potential, which has been considered completely unassailable and totally adequate for the accomplishment of any global superproject. In the foreign economic sphere, a special role was assigned to "dollar diplomacy," which consisted in the offer of financial and economic assistance and loans on exorbitant terms to other countries and the imposition of financial control.

The spearhead of all of the measures taken in the sphere of international economic relations as part of the system of national security was pointed

at the Soviet Union and other socialist countries. The "Marshall Plan" had quite obvious anti-Soviet aims, and 13 of the 16 countries involved in it became members of NATO. As early as 1947, economic sanctions were instituted in trade with the USSR, and in 1951 Washington canceled the Soviet Union's most-favored-nation status. In 1964, at a conference on national security organized by Georgetown University, J. Schlesinger, then the head of the RAND Corporation's economic division, expressed the opinion that trade and the offer of assistance were only expedient as long as they ensured a "strategic return" and that the United States should develop "the concept and machinery of intimidation" in economic policy, "similar to intimidation in the military sphere," for the purpose of "winning direct support for American foreign policy goals."

It is true that Schlesinger believed that the use of trade as a means of intimidation (threats of "no more access to Western markets") would be particularly effective in relations with developing countries. As for the socialist countries, he disagreed with other speakers at the conference who were agitating for a trade boycott, asserting: "To keep this threat alive, we must, however, continue trade in considerable volumes with other countries, including the communist nations."² At the same time, he categorically objected to the extension of credit to the Soviet Union, even though his own recommendation concerning "continued trade in considerable volumes" was absolutely impracticable without this credit.

In their present evaluation of the role played by the material factor in global strategy, U.S. ruling circles must give consideration to the changing conditions of the political implementation of their country's economic and other material capabilities.

The intensification of inter-imperialist conflicts, the mounting economic difficulties in the capitalist world and the development of the currency and energy crises not only concealed the groundlessness of Washington's postwar expectations of a coming "era of American economic and currency hegemonism," but also shattered the myth of the unassailability of U.S. material potential and demonstrated its dependence on foreign sources, particularly in the case of raw materials (oil and gas) and the overwhelming majority of mineral resources (with coal and phosphate the only exceptions). The belief in U.S. ruling circles, however, is that the United States is still the "currency leader," having the most overseas investments (around 150 billion dollars) and sufficiently impressive economic potential. To corroborate the opinion concerning "sufficiently impressive economic potential," government experts are underscoring the United States' "leading" position in the export market of the capitalist world (although the United States exports a smaller portion of its gross product than the FRG, Japan and France, it accounts for 13 percent of all exports) and point out the United States' leading position in the West in the incorporation of scientific and technical achievements in industry and agriculture.³

Washington must nonetheless take the changes in the U.S. position in the world capitalist economy into account. Many American authors who have

evaluated U.S. economic potential have remarked in connection with this that the proportion accounted for by the United States in world industrial production has decreased from almost 50 percent after World War II to less than 30 percent at present. American leadership in the area of science and technology has been noticeably challenged by the FRG and Japan recently and the United States is beginning to lose its leading position in per capita income to some of the Arab states and such Western European nations as Switzerland, Sweden, Denmark, the FRG and France. Economists have pointed out, in addition to the apparent American dependence on foreign sources of raw materials, the low level of economic growth (4-5 percent a year), the fact that 30 percent of the patents registered in the United States have been issued to foreigners, and the inflation and unemployment that are still crippling the nation.

Although they express concern over these matters, almost all American authors believe that the use of existing economic strength will provide considerable opportunity, even under present conditions, for the resolution of international problems in the class interests of the American bourgeoisie under the guise of safeguarding the same old national security interests. Stressing the close relationship between military and economic strength in foreign policy, some authors adhere to the traditional view that the only function of the economic factor is to reinforce military strength. Others insist on the independent significance of the factor of economic power.

American political influence in today's world, according to, for example, prominent American political scientist S. Brown, "can be achieved not through the use of armed forces, which, in comparison with other elements of national strength, could have negative consequences when non-military decisions are made, but through the energetic use of finance, economic and technical assistance and the creation of various multilateral coalitions for the resolution of the urgent problems of the day."⁴ Even General M. Taylor, a zealous supporter of military strength methods, complains that the United States has been "too stingy" in the use of means of economic influence: loans, grants, economic aid, tariffs and the economic boycott.⁵

Statements of this kind reflect acknowledgement of the erosion of the cold war mentality, the restriction of parameters for the use of force and the need to give more attention to problems that are not directly related to the national security interests which have been exaggerated so much in the past. At the same time, they represent an attempt to turn economic leverage into a major means of attaining foreign policy goals. This has called for the development of "economic diplomacy," the purpose of which, according to S. Huntington, its chief theoretician, consists in turning trade and economic leverage into an effective instrument of the "stick and carrot," which is aimed at the acquisition of unilateral advantages for the United States, not only and not so much in trade and economics as in the political and military spheres.⁶ The United States should implement, he teaches, the "principle of conditional flexibility" in its trade with the

USSR, in accordance with which changes in the volume and nature of U.S.-Soviet economic relations will result from progress in the attainment of American security-related political goals. In other words, "commodity exports can be cut off or resumed, depending on the willingness of the Russians to cooperate with the United States, whether in Angola or in SALT."

In July and August 1978, Huntington, as a top-level NSC official, launched a frenzied campaign to prohibit the sale of bits for oil derricks produced by Dresser Industries to the Soviet Union, relating this to actions taken by the Soviet court regarding the unlawful activities of some persons hostile to the Soviet order, including paid agents of Western special services. In a NEWSWEEK interview, Huntington asserted that Moscow had no other choice but to buy modern American equipment (for example, the Dresser firm's derrick bits). The United States should utilize this kind of leverage, he said, even though the cooling of U.S.-Soviet relations could be inconvenient for U.S. firms. "If war is too important to be left up to the generals, then trade is also, without question, too important to be left up to the bankers and businessmen,"⁷ he declared.

The logic of "economic diplomacy" is actually impeding the development of commercial contacts on various artificial, hypocritical pretexts and, in some cases, is canceling bargains that have already been concluded, breaking signed contracts and ostentatiously severing connections in science, technology and other areas. Government control has been established over deliveries of some types of equipment with no immediate military import.

As General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev stressed in his speech before participants in the Sixth Session of the American-Soviet Trade and Economic Council, when he made comments in reference to the intention of some U.S. circles to regulate trade and economic ties depending on their moods or on the current political situation, "with respect to the Soviet Union, this approach has never benefited anyone and never will. Attempts to exert pressure of this kind will only introduce the element of instability into trade and economic relations between our countries and cast suspicions on the reliability of the United States as a trade partner."⁸

It is indicative that an authoritative international group of economists, representing the United States, Canada, Western Europe and Japan, issued a report in October 1978 which actually denied the possibility of using trade, particularly the export of technology, as a "means of pressure" by the West on the nations of the socialist community. In the first place, the report stated, the technology needed by the East is usually accessible in many countries and, in the second place, this tactic could have negative consequences for its initiators. "The Soviet Union has proved that it can not only compete with the West, but also surpass it in many important areas. There is nothing that the USSR does not have or could not produce if it deemed it necessary," the study said.

The same kind of warnings were issued by the U.S. Foreign Trade Council, the largest organization of American exporters and importers.

In view of changing conditions, U.S. ruling circles feel that it is not enough to rely only on economic potential. They have advocated that another component of material potential--science and technology--be assigned equal importance in global strategy.

Special emphasis is laid on the significance of science, which is taken to signify all of the social and natural sciences, in the sphere of foreign policy. Stating that until recently "science has been a forgotten area in foreign policy," American political scientist R. Wesson, for example, states that, if properly used, "it will serve America better in many respects than military strength and economic potential." Naturally, Wesson interprets "service to America" as the satisfaction of the narrow class interests of the ruling top echelon. His interpretation of the role of the scientific factor corresponds to this. In the first place, the status of American science could supposedly reinforce the "irrefutability" of American claims to leadership; in the second place, the development of scientific contacts could supposedly be effectively used for subversive activity in the socialist countries.⁹

The active incorporation of science in foreign policy would provide opportunities, according to American authors, for the extensive use of new, non-traditional instruments of strength as "leverage"--aid in the form of technical assistance and food, managerial knowhow, leadership in space and ocean studies, electronic equipment and so forth. The effectiveness of this use of material potential as a whole and its individual elements for political purposes is being directly connected more and more in American foreign policy engineering with the adaptation of the technological revolution to the needs of U.S. global strategy. In American political terminology, this revolution is generally referred to as the technological factor.

Technological progress as an important means of consolidating material potential was also being taken into account during the cold war. Since the time of Harry Truman, each new administration has made a massive effort to use the technological factor effectively in the U.S. interest in world events. During the cold war, however, the technological revolution was actually equated with military technology, as a result of which the most obvious effects of this revolution were seen in U.S. military policy for a long time.

It is widely known that the U.S. practice of placing scientific and technical achievements at the service of aggressive military and political aims during the cold war not only resulted in a fundamental reversal in military technology, strategy and tactics, but also had a considerable effect on the sphere of sociopolitical relations. Nuclear weapons--the most devastating of all means of mass destruction--began to play a significant role in the political and even the diplomatic struggle. The nuclear weapon "as

essentially no military history (the atomic bombs dropped on Hiroshima and Nagasaki were used more for political than military purposes), but it already has a fairly rich and diverse political history. As French military historian C. Delmas has noted, all international life after World War II developed "under the shadow of the nuclear threat, and was directly influenced by it."¹⁰ There is no question that the nuclear factor has acquired exceptional significance in the entire system of postwar international relations, has radically changed many traditional beliefs and ideas about foreign policy activity and has given a new logic to the nuclear space age.

The development and improvement of modern strategic weapon systems, which were made possible by the technological revolution, and the directly related evolution of the global balance of power have always served as a point of departure for U.S. foreign policy-making at different times since the end of World War II. American military and foreign policy doctrines have been elaborated, implemented and consigned to oblivion with consideration for this point.

The buildup of weapons in the United States has taken on gigantic dimensions. Analyzing the process of the unprecedented escalation of the arms race, many American researchers, bypassing the question of the sociopolitical causes of this race, are even trying to identify the basic stages of the technological revolution in the United States in the postwar decades with corresponding qualitative "advances" in the development of military equipment or the main stages of the military technical revolution: the development of nuclear devices, aviation and missile means of delivering nuclear charges to targets (the appearance of the strategic nuclear missile), the comprehensive automation of means and methods of troop control through the use of computers in the armed forces, etc.

It is indicative that the escalation of American imperialist aggression in Indochina, which involved the American people, in the beginning of the 1960's, in the longest bloody war ever waged by the United States outside its boundaries, developed parallel with the processes of the technological revolution. The United States made an obvious attempt to utilize its success in the area of weapon improvement, made possible by the technological revolution, for the purpose of military victory. Vietnam became a veritable testing ground for modern methods of warfare and the latest types of weapons, including poisonous gas, chemical defoliants, napalm and large-tonnage bombs of the latest kind. The Belgian magazine POURQUOI PAS? once correctly noted that the United States discovered a "new type of war" in Vietnam, "resembling some kind of science-fiction nightmare. Electronics, increasingly 'automated' mass air raids, new fatal devices: The United States is inventing a new kind of war, push-button warfare, aseptic, remote-control, a war overseen by the protagonist (either military or civilian) on a computer screen."¹¹

The failure of American imperialism's Vietnam policy demonstrated, in particular, the groundlessness of the hope of obtaining military and political

advantages with the aid of the latest scientific and technical devices in a struggle against the large-scale social movements of the day.

In its present approach to the technological revolution, the United States is not limiting itself to its application in only the sphere of military policy. The sphere of application is now much broader--the technological revolution is to be utilized in its entirety for the reinforcement of government power and, in particular, military and material potential, for the purpose of implementing U.S. global strategy under new conditions.

Reactionary circles, however, are still assessing the significance of the technological revolution strictly from the standpoint of its military results. A study published in May 1978 by the "American Council for World Freedom" and entitled "The Strategic Measurement of East-West Trade" states that "the technical strength of the United States is the key to our ultimate survival as a nation" and explains that "the most important element of our containment strategy will be the maintenance of military superiority through the use of progressive technology in a number of key branches."

Various aspects of the technological revolution, its essence and content, and the nature and possible consequences of its effect on different socio-economic systems are still the subject of heated debates, reflecting a conflict of the interests of various classes, social strata and groups.

By assigning science and, in particular, technology unrelated social functions, bourgeois ideologists are denying the Marxist interpretation of the nature and content of the technological revolution and the Marxist assessment of its structure and socioeconomic and international consequences. Many bourgeois authors are striving to "technicize" social processes and give them a "technotronic" interpretation by contrasting the technological revolution to the social revolution and liberation movement. Others have attempted to dilute the technological revolution in the general concept of scientific and technical progress and, whenever possible, to reduce the revolutionary turnabout in science and technology to an evolutionary process.

In their assessment of the technological revolution's influence on international relations, the majority of American bourgeois theoreticians of international relations (Z. Brzezinski, C. Haskins, E. Skolnikoff, M. Bundy, W. Kintner, N. Padelford, J. Lincoln and others) take a stand of technological euphoria. They proclaim scientific and technical progress to be the "basis of 20th-century civilization," an independent variable with a positive effect on the structure of individual states and the international system as a whole, particularly with respect to the promotion of stabilization.

Favoring the vigorous inclusion of the technological factor in U.S. foreign policy strategy and tactics, these authors maintain that the primary objective is the guaranteed scientific and technical supremacy of the United States, which they equate with the national interest. American

theoreticians are now attaching even more significance to the guarantee of this superiority, as the increasing military and economic strength of the USSR has sharply reduced the possibility of using force in confrontations with socialism in the military-political sphere. Economic and technological hegemony is associated with the hope of strengthening the United States' shaky international and military-political positions.

The ideas and assumptions of technophiles in the 1970's¹² were most clearly expressed in "The Republic of Technology," a book by renowned American historian D. Boorstin.¹³

According to Boorstin, a cosmopolitan "republic of technology," with no political, language or religious barriers, has already taken shape on our planet. A closer inspection of this "republic of technology" shows that it is not only constructed according to American blueprints, but it is also--and this is the main thing--theoretical justification for U.S. ruling circles' desire to establish American leadership by entangling all other nations in bonds of dependence on the United States. "The greatness of the United States," Boorstin declares, "is not due to its huge dimensions, but a new type of community. New bonds unite the Americans and attach them to the rest of the world, and the entire world to America. I call this community the republic of technology."

In an attempt to prove the irrefutability of U.S. claims to scientific and technical superiority, the author calls the "founding fathers" of the United States "pragmatic technologists" and interprets the seizure of American territory by European refugees as a quest "not for a citadel, but for a laboratory." This implies that the entire history of American civilization is a history of experimentation, particularly in the area of science and technology. The social essence of the "republic of technology" is examined in precise detail. Its highest law is universal material and spiritual convergence. It has another characteristic feature. Although Boorstin declares that technological triumph is unlimited and that America can do much in this respect, including in the field of politics, he remarks that the only field in which human achievements are limited is connected with the choice of political prospects. In other words, capitalism, in Boorstin's opinion, is absolutely inevitable.

Some American theoreticians (J. Von Neumann, H. Morgenthau, H. Kahn and others) have not expressed the same delight with this. These theoreticians take a pessimistic view of the intrusion of the technological revolution into the sphere of international relations. In their opinion, uncontrolled technological progress could create a technological hell, in which man could be completely deprived of work, personal life and even human dignity. They use the same gloomy tone to describe the influence of the technological revolution in the sphere of international affairs (the heightened prospect of nuclear war, the world food crisis, the energy crisis and so forth). These theoreticians believe that changes in the world structure brought about by the technological revolution could, if

the influence of the technological factor is observed objectively, give rise to a tendency toward the permanent absence of stability in international relations and thereby increase the possibility of various types of conflict.

For example, J. Von Neumann states that the development of the technological revolution could bring about the collapse of many "established political institutions" and give rise to "instability" as a qualitatively new characteristic of the world system.¹⁴ Morgenthau also believes that scientific and technical discoveries, particularly in the military field, could "literally within a night" advance new states to the fore and make the global balance of power extremely unstable.¹⁵ Noting the contradictory effects of the technological revolution on international relations (on the one hand, this revolution is aiding in the "technological unification of the world," while on the other it is making mutual understanding more difficult), Morgenthau calls the last tendency the main one. "Modern technology," he states, "has not only made it technically possible for people to communicate with one another regardless of geographic distances, it has also given governments and private agencies the ability to withhold information when necessary."¹⁶

The approach of these theoreticians indicates a particularly noticeable desire to transfer the blame for negative tendencies in international relations from the imperialist powers, whose policy has served, and is still serving, to impede the establishment of lasting peace and the achievement of mutual understanding between peoples, to the appearance and influence of the technological factor in the sphere of international relations.

This kind of "technophobia" represents a unique reaction to the abnormalities arising from the use of the achievements of the technological revolution under the conditions of the capitalist system. This theoretical train of thought, which seems to be diametrically opposed to the "utopian," parallels the latter whenever the question of assessing the significance of the technological factor arises. There are no diverging opinions here.

In essence, all American bourgeois theoreticians believe that the technological revolution should be used to strengthen U.S. government power. They see the technological revolution as an essential condition for the development, functioning and interaction of military strength and material potential.

The same kind of unanimity is encountered in American theoretical studies of the methods and means by which scientific and technical achievements should be used in U.S. global strategy. Bourgeois foreign policy thinking in the United States must include recognition of the fact that postwar international relations have tended to evolve into a complex and multi-sectorial set of political, military, economic, scientific, technical and ideological intergovernmental connections. Some aspects of these relations,

primarily the military, economic, scientific and technical spheres, have been most influenced by scientific and technical progress. The technological revolution has led to the appearance of new spheres of international cooperation in the peaceful use of nuclear power, outer space and the achievements of space flight technology and in the development of world ocean resources. The technological revolution has greatly promoted the development of scientific and technical contacts between states. Policy in the field of scientific and technical contacts has now become an important aspect of all foreign policy activity by leading industrial states.

The natural and logical conclusion to be drawn from all this would seem to be that the resolution of the global problems facing mankind, such as the need for the further penetration of scientific and technical thinking into the mysteries of the nucleus, the exploration of outer space and the world ocean for peaceful purposes, the protection of man's environment, the fight against disease and hunger, the provision of mankind with the necessary energy resources and so forth, objectively calls for broad-scale scientific and technical cooperation between states with differing social structures.

American bourgeois foreign policy thinking, however, is guided by the political and ideological considerations of confrontation with the socialist states and prefers to limit cooperation with the socialist states by artificially keeping it within the narrow bounds of scientific and technical contacts, preventing their development in some spheres and making this cooperation conditional upon demands that are unacceptable to the socialist states in other spheres.

The frequent comparison of scientific research and design projects in the USSR and United States reflects a new line of reasoning, to which the creators of the myths about the "Soviet threat" have resorted more and more in recent years. No longer satisfied with the falsification of statistics (defense budget figures, the Soviet "bomber breakthrough," followed by the Soviet "missile breakthrough," and so forth), anti-Soviet propaganda is now frightening the Americans with references to the Soviet Union's "revolutionary discoveries" in the area of military technology, which will "radically change the overall military balance in the USSR's favor" in the future if the United States does not make a similar effort.

The talk about the danger of a "potential technological breakthrough" by the USSR is backed up by the quite definite opinion that U.S. scientific, technical and economic ties with the Soviet Union must be limited.¹⁷ This approach coincides with the view of cold war apologist H. Jackson, who has stated that the development of Soviet-American cooperation would be tantamount to "bleeding the United States dry," but he is obviously ignoring the lessons of history.

In the past, particularly in the first postwar decades, the United States, which had established itself as the main center of the capitalist world in

terms of the development and transmission of modern science and technology, tried to prevent scientific and technical contacts between the Soviet Union and the West in the hope of slowing down the development of the USSR. This hope turned out to be unfounded. The technological and economic potential of the Soviet Union constantly grew. Experience proved that it was necessary and expedient for the United States to cooperate with the Soviet Union in trade and economics, corroborating the view that no single nation, regardless of how powerful and highly developed it might be, can survive without participating in international cooperation in this sphere.

In its practical affairs, the present Democratic Administration of J. Carter is using the technological revolution, in exactly the same way that the preceding administration did, as a means of strengthening U.S. material potential and as a political instrument. In the 1978/79 fiscal year, appropriations for science rose 10.9 percent (5 percent if the effects of inflation are taken into account). The foreign economic line of the United States is also constructed with consideration for extensive use of the technological factor, the abundant American experience in the organization and management of production, for the reinforcement of U.S. international positions and the attainment of economic and political goals. An important feature of the American foreign economic line is its present close relationship to foreign policy. This line actually serves as an extension of U.S. foreign policy, an instrument for the guarantee of U.S. monopoly influence in overseas sales and raw material markets.

The technological factor is being taken into account by the current administration not only when decisions are made on specific foreign policy issues, but also in attempts to restore the international prestige of the United States, which has been undermined by a multitude of adventures and scandals, and to insure its role as "moral leader" in today's world.

The history of interrelations between the two major powers in the scientific and technical sense--the United States and USSR--conclusively demonstrates that, in spite of the differences in their social systems, their opposite ideologies and their fundamental disagreements on several political issues, there are certain objective factors that are making it necessary for both states to act in such a way as to eliminate the danger of world war and raise bilateral cooperation in various fields, including trade and economics and science and technology, to the high level the two powers have reached in the economic, scientific and technical development.

Stressing the specific features of Soviet-American relations under the conditions of the technological revolution, L. I. Brezhnev notes: "The Soviet Union and the United States are nations which, as they say, could get by on their own," but "the refusal to cooperate in the economic, scientific, technical and cultural spheres would mean the rejection of considerable additional benefits and advantages each side could obtain."¹⁸

There is no question that the technological revolution is one of the significant factors influencing U.S. foreign policy-making. Buoyed up by

their scientific and technical superiority, U.S. ruling circles are striving for hegemony in the capitalist world, are engaging extensively in foreign economic expansion and are trying to establish relations with other countries which would turn these countries into their dependants. The United States has displayed a quite definite and striking tendency toward the use of its scientific and technical potential to exert political pressure on other countries.

At the same time, it is not only external conditions, distinguished in particular by mounting inter-imperialist conflicts and the decisive influence of the main revolutionary forces of the day, but also the peculiarities of the U.S. sociopolitical structure that are imposing certain restrictions on the possibility and permissibility of the expansionist aims of U.S. ruling circles.

In turn, the technological revolution is largely responsible for some far-reaching and unfavorable consequences for capitalism that are objectively necessitating the revision of a number of Washington's policy guidelines. It was precisely the technological revolution that necessitated some new approaches in U.S. foreign policy and strengthened tendencies which are stabilizing the international situation.

Naturally, it would be an example of extreme oversimplification if a direct connection were to be drawn in every case between the processes of the technological revolution or technological achievements, on the one hand, and the U.S. approach to certain specific international issues on the other. In some cases the technological revolution has a more definite and clear effect on U.S. foreign policy, with the interconnection lying "on the surface." In other cases, this revolution has an indirect, or mediating effect on politics. It is clear, however, that one of the characteristic features of the present era is nonetheless the fact that science, as even Americans have acknowledged, is "meeting up" with politics more and more frequently.

As the history of American foreign policy since World War II demonstrates, the mere plan to utilize the "technological factor" cannot serve as a means of solving the problems encountered by foreign policy. In the final analysis, everything will depend on the particular goals that are being pursued with the aid of the technological revolution.

FOOTNOTES

1. THE NEW YORK TIMES MAGAZINE, 14 April 1975.
2. "National Security: Political, Military and Economic Strategy in the Decade Ahead," N.Y., 1964, pp 687-688, p 745.
3. See, for example, F. Bergsten, G. Bertoin and K. Mushakoji, "The Reform of International Institutions," Report of the Trilateral Task Force, N.Y., 1976, p 11.

4. S. Brown, "The Changing Essence of Power," Wash., 1973, pp 288-289; Idem., "New Forces in World Politics," Wash., 1974, p 185.
5. M. Taylor, "Swords and Plowshares," N.Y., 1972, pp 419-420.
6. S. Huntington, "Trade, Technology and Leverage. Economic Diplomacy," FOREIGN POLICY, No 32, Fall 1978, pp 63-80.
7. NEWSWEEK, 18 September 1978, p 17.
8. PRAVDA, 7 December 1978.
9. R. Wesson, "Foreign Policy for a New Age," Boston, 1977, pp 139-140.
10. C. Delmas, "Histoire politique de la bombe atomique," Paris, 1967, p 8.
11. POURQUOI PAS?, 6 January 1972.
12. In the 1960's the idea that "the first state to work out a strategy involving technological supremacy will hold the key to decisive political and military superiority" was expressed by W. Kintner, Z. Brzezinski and others (see "Politics and International System," Philadelphia, 1969; Z. Brzezinski, "Between Two Ages: America's Role in the Technotronic Era," N.Y., 1970).
13. D. Boorstin, "The Republic of Technology," N.Y., 1978.
14. "Politics and International System," pp 246-247.
15. H. Morgenthau, "Truth and Power," N.Y., 1970, p 233.
16. H. Morgenthau, "Politics Among Nations," N.Y., 1973, p 253.
17. J. Collins, "American and Soviet Military Trends Since the Cuban Missile Crisis," Wash., 1978.
18. L. I. Brezhnev, "Leninskij kursom" [Following the Leninist Course], vol 4, Moscow, 1974, p 171.

8588

CSO: 1803

STRIKES IN THE SEVENTIES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 22-33

[Article by S. A. Yershov]

[Text] The events of the last decade once again quite clearly demonstrated the American working class' determination to wage a struggle for the improvement of its socioeconomic status. The strike movement remained one of the chief sectors of the overall confrontation between hired labor and capital. To a great extent, it was precisely the huge scales of this movement, its purposeful nature and its variety of tactics that prevented the bourgeoisie from forcing the workers to shoulder the entire burden of the economic disorders now afflicting the nation.

The Mass Scale

The number of participants in overt class battles is an indicator of fundamental significance in the analysis of the strike struggle. On the whole, this indicator reflects the scales of the workers' dissatisfaction with the results of monopoly domination. The dynamics of this indicator, in turn, reflect changes in the social base of the labor movement and testify to the ability of the working class to mobilize forces for the protection of past gains.

The number of strikers naturally depends on the total size of the army of hired labor. All other conditions being equal, the number of strikers will tend to rise as the number of persons employed in the capitalist economy rises. Due to certain circumstances of a socioeconomic and political nature that have taken shape in the United States since the end of the war, however, the symptoms of this tendency can only be discerned over the long range. Between 1950 and 1959, 21.9 million people went on strike in the nation, there were 18.1 million strikers in the next decade, from 1960 through 1969, and around 23 million went on strike in the 1970-1979 period.¹

The beginning of the 1970's was marked by a sharp increase in strikes: The number of strikers in 1970 reached 3.3 million, and the figure was the same in 1971. Then it decreased, and in 1978 the number of strikers was almost only half as high--1.6 million blue- and white-collar workers.

At the same time, an increasingly noticeable place in the struggle of the American working class was taken over by large-scale demonstrations--with more than 10,000 people participating. There were 72 such strikes in the United States in 1960-1964, 132 in 1965-1969, and 133 in 1970-1974. Although there were not that many large strikes in a percentage relationship to the total number of demonstrations in the nation, the average annual proportional figure of workers participating in these was 28.8, 33.3 and 38.5 percent of all strikers, respectively, during the 5-year periods listed above.

The tendency toward growth in the scales of strikes would seem to be the opposite social side of the ongoing process of production concentration in the United States, as a result of which small and medium-sized companies go bankrupt after failing to survive the competition, and monopolies establish giant enterprises. At these enterprises, new methods of labor organization are used more widely, which results in the dismissal of some workers and the intensification of the labor of others, and therefore compounds the reasons for their dissatisfaction.

Large-scale strikes are generally conducted by American labor unions at the time when collective contracts are to be renewed. In the electrical engineering industry, for example, only once in the 14 years between 1963 and the end of 1976, in 1973, did the workers have no reason to call a strike when their contracts came up for renewal. In the automotive industry there has been no exception to this rule in the last 15 years; moreover, in 1976 the workers at all enterprises of the Ford Motor monopoly, actively supported by the majority of engineering and technical personnel, went on strike for around a month when their contract came up for renewal. It was not until 1979 that the automobile workers union, with its 1.5 million members, was able to negotiate a labor contract without resorting to a strike. Fearing a mass-scale demonstration by the workers and the prospect of huge losses, the General Motors monopoly decided to make concessions and signed a 3-year contract, the provisions of which will cover 450,000 persons employed at its enterprises.

In 1964-1976 six contracts were signed with the leading monopolies in the field of agricultural and road machine building--Deere, International Harvester and Caterpillar--and in all these cases the union organized major strikes. Six massive strikes between 1958 and 1978 were organized for the same reason by warehousemen and teamsters, and one of them--in 1976--involved more than 250,000 people. A particularly lengthy and fierce struggle accompanied contract renegotiations in the oil refining industry: In 1973 a strike at enterprises of the Shell Oil monopoly lasted 4 months, and in 1975 the workers of the Gulf Oil corporation went on strike for 3 months. Blue- and white-collar workers at main enterprises of the "big four" monopolies in the rubber industry--Uniroyal, Goodyear, Firestone and Goodrich--were on strike for 4 months in 1976.

The 110-day strike by 180,000 miners at the end of 1978 and the beginning of 1979 became a noteworthy event in the U.S. labor movement. This was

the largest and longest class conflict in the national coal mining industry in the last 30 years.

The wave of large-scale strikes did not ebb even at the height of the crisis in the mid-1970's, when the number of participants in such demonstrations, aroused by dissatisfaction with the collective bargaining terms offered by employers, represented 27.2 percent of all strikers in the nation. These demonstrations were the reason for 24 percent of all losses of work time in connection with strikes. Large-scale strikes occurred in many parts of the nation and took in entire big cities and whole states. Some strikes (for example, that of United Airlines workers) assumed nationwide proportions.

In all, 11,100 strikes, participated in by 4.5 million people, were recorded in the United States during the crisis years of 1974 and 1975. This represented a respective rise of 7 percent and 12 percent over the pre-crisis years of 1972 and 1973 (10,400 strikes and 3.9 million strikers).

The increase in the scales of the strike struggle at a time of economic crisis is one of the more remarkable features of the American workers' class struggle in the last decade. As a rule, under the conditions of high unemployment, which is generally accompanied by recessions in industry, workers refrain from demonstrations and postpone them until "better times" come along, fearing repressive actions on the part of employers. The fact that many unions went against this "tradition" in spite of an unemployment figure of 8 million attests to their increasing determination to defend their interests even under extremely unfavorable conditions.

The most energetic strikes in the last decade, just as in previous years, were held by factory and plant workers. Workers employed in branches of the processing industry accounted for more than 40 percent of all demonstrations between 1970 and 1980; they represented the same percentage of total strikers. The drop in these indicators since 1950 (when they were approximately 56 percent and 60 percent respectively) is partially due to the general reduction in the proportion accounted for by the processing industry during this period in the total employment figure (from 33.7 percent to 23.9 percent), but the main reason lies deeper--this is the new strike tactics of the working class nucleus, which will be discussed below.

Most of the striking factory and plant workers were concentrated in the leading branches of the processing industry--transportation, electrical engineering and general engineering, metallurgy and metal working (these workers represented 45.7 percent of all persons employed in the processing industry in 1979 and around 11 percent of all persons employed in the non-agricultural sphere of the American economy). On the average, more than 50 percent of all strikers in the processing industry in the 1970's belonged to these subdivisions--key subdivisions from the standpoint of the scientific, technical and economic development of all industry. Intensive strikes in branches that are simultaneously large consumers and

suppliers of products for many sectors of the economy generally cause a chain reaction of production cuts in directly and indirectly related subdivisions. The mere threat of this sometimes compels employers to agree to certain concessions in negotiations with labor unions in these and related branches.

At the same time, another aspect of the strike struggle in the leading sectors of industry is the power of the example. The working class is more highly organized in these key branches, and this makes conflicts with employers particularly fierce. This stimulates demonstrations by other groups of workers, and the results of strikes serve as a point of departure for the issuance of demands by these other groups when contracts come up for renewal.

The extensive participation of factory and plant workers in the strike struggle is a factor of great social significance. Qualified specialists make up an impressive proportion of production personnel in U.S. industrial enterprises, and the proportion accounted for by them among blue-collar workers is constantly increasing: It was 33 percent in 1950, 35 percent in 1960 and close to 40 percent in 1978.³ The average indicator of the educational and professional training of this segment of the U.S. working class has exceeded 12.5 years, and the wages of these workers are among the highest for workers engaged primarily in physical labor. Capital's emphasis on the increased exploitation of primarily skilled manpower is arousing the appropriate reaction in the hired labor force.

Another noteworthy tendency in strikes by American workers is the constantly increasing participation of service employees. Since this is where an increasing proportion of the national labor force is concentrated, there has also been a rise in numerical indicators of workers in branches of non-physical production who are dissatisfied with their socioeconomic status. Whereas they accounted for 21.9 percent of all strikes and 21.8 percent of all strikers in 1960, these indicators exceeded 30 percent in both cases by the end of the 1970's.

This fact deserves special attention because laws are still in effect in the United States which prohibit strikes by workers in the public sector and, in particular, civil servants. The wave of strikes by civil servants is mounting despite all of the restrictions on their right to strike: Around 102,000 government employees participated openly in demonstrations between 1965 and 1970, and the figure more than doubled in the 1970-1974 period, reaching 210,000. The scales of these demonstrations have also grown: The average number of strikers per strike during the first of these 5-year periods did not exceed 500, but in the next one it was 600.

A characteristic feature of the class struggle in the United States in the last decade was the combination of direct strike action by the working class with mass general democratic demonstrations by workers, which were organized on the scale of individual cities, counties and states, and often

on the nationwide scale. These expressions of social dissatisfaction took the form of "protest days" and "protest weeks," and marches to the nation's capital, Washington, during the course of which work stoppages of varying duration at enterprises and institutions were supplemented by mass meetings, demonstrations, marches and the submission of petitions to representatives of government organizations.

At first glance, the strikers' demands do not always coincide completely with the slogans of mass movements in the United States. The organizations heading these movement, the National Organization for Social Security Justice, the National Council of Senior Citizens, the National Renters Organization, the Movement for Economic Justice, the Movemert for National Priority Review and many others on the local, state and national level, set forth their own specific platforms. But the realization of these will ultimately be in the interests of the general working public, since they raise such social issues as the need for better pension security, health services, education, housing construction, material welfare and so forth. Even the partial resolution of these problems will objectively aid in the improvement of general socioeconomic conditions for all workers, as far as this is possible in the capitalist society.

The convergence of the interests of the labor movement and mass social protest currents is of great significance from the standpoint of the maturation of necessary prerequisites for radical social reform in the future. As V. I. Lenin stressed, despite the fact that various social strata became involved in active struggle by virtue of circumstances and inevitably bring their prejudices, and sometimes even their reactionary fancies, weaknesses and errors, with them into the struggle, they nonetheless collectively oppose a common enemy--capital.⁴

The leading role in setting general and particular objectives in the labor movement belongs to the working class. To a considerable degree, it also influences the development of currents associated with the class struggle. This is due to the fact that it is the working class that bears most of the burden of capitalist exploitation. It is the working class that is more aware than other social strata that its position in the system of capitalist production relations and all bourgeois society as a whole does not correspond to its level of qualitative perfection and its decisive position in the production sphere. The development of events has shown that the central front of the class struggle--the strike movement--is supplemented in time by the expanding flanks of mass democratic currents.

The serious changes, brought about by the technological revolution, in the professional makeup and qualifications structure of the labor force, just as the economic defects of capitalism, contrary to all the expectations of bourgeois ideologists, did not alienate different segments of the labor force from one another, but even brought them closer together. Broad social strata of workers, united by their common desire to preserve and expand existing gains, are becoming increasingly concentrated on the same side of the class barricades.

Changes in Tactics

The effectiveness of strikes depends largely on the strikers' correct choice of means of exerting pressure on employers. The more than 100-year history of the organized labor movement in the United States has proved that the workers are up against an experienced and subtle class enemy, the bourgeoisie, which will unhesitatingly, whenever necessary, utilize a great variety of methods to stifle mass demonstrations--from the bribery of individual workers to harsh repressive actions, including the dismissal of labor activists, the dispersal and arrest of strikers by the police and so forth. There have even been cases in which employers, pursuing selfish goals (for example, the sale of accumulated stocks or the undermining of rival companies' positions), have provoked workers to call strikes.

The bourgeois mass media in the United States perform an important political and ideological function in the struggle against the labor movement by misrepresenting the true intentions of the strikers. For example, for a long time workers in the public service sphere were subjected to fierce attacks when they demonstrated: They were accused of deliberate and "malicious disorganization" of the operations of public services. Bourgeois analysts of labor relations also have a function to perform; they are expected to "theoretically" substantiate theses concerning the alleged "decline in class actions" by the proletariat, its "apathy" and so forth.

In recent years, some relative indicators of the strike movement have been used in works by bourgeois authors as "arguments" attesting to the increasing "passivity" of the working class. These have mainly been data on worker involvement in strikes, expressed in the ratio of strikers to the total number of employees, and the proportion accounted for by strike days in total work time.

It is true that when the actual dynamics of the strike movement are being analyzed, the overall employment growth rate must be taken into account. When this growth rate exceeds the increase in the number of strikers, worker involvement in the strike struggle and the percentage of strike days in total work time appear to decline, and this has been the case in the United States. The average annual indicator of strike involvement in the 1950-1959 decade was 5.3 percent, for example, but it was around 3.3 percent between 1970 and 1976.⁵

But the real reason for this does not lie in the direction pointed to by apologists for the bourgeoisie. The U.S. working class is now more frequently intentionally resorting to strike methods which do not require participation by the maximum number of workers but are still effective enough to force employers to give in. Moreover, the tactic involving a relative decrease in the number of strikers is organically supplemented by more persistent struggle. This is amply attested to by the constant increase in the average length of strikes. The rise in this indicator in 5-year periods was the following (in days):⁶

1952-1956	20
1957-1961	22.1
1962-1966	23.5
1967-1971	24.4
1972-1976	26

The choice of the level on which the strike is to be called is a central tactical question. Since most strikes in the United States take place when collective contracts are renegotiated with the local administration--at individual enterprises and companies--the main form of open demonstrations by American workers is the local production conflict. In the 1970's around 74 percent of all strikes took place at small enterprises and were participated in by less than 100 people, and only around 0.5 percent of the strikes involved more than 10,000 strikers.

Besides this, the increasing concentration of production and centralization of capital--that is, the expansion of the scales of monopolization in the economy--has been accompanied by the birth and intensive development of another tendency--toward an increase in the number of industrywide strikes and mass demonstrations by all members of a particular profession (especially in the service sphere, where elementary school teachers, medical personnel, policemen and others go on strike).

Around one-third of all strikes involving more than 1,000 people in the processing industry in recent years have taken place in two of its branches--electrical engineering and automotive engineering, branches which are distinguished by a high degree of monopolization. A "big three" has virtually total control over each of these branches: General Electric, Westinghouse Electric and Allis Chalmers; General Motors, Ford Motor and Chrysler. In the summer of 1979, a nationwide strike was held for the first time in the last 14 years at enterprises of Westinghouse Electric.

The increasing dimensions of strikes are particularly noticeable in the service sphere, where approximately 50-55 percent of all large-scale demonstrations (involving more than 10,000 people), as recorded in national statistics, took place in the middle of the last decade. The leaders in this sphere in terms of the number of large-scale strikes were transportation, communications, public utilities and municipal services.

The development of the American labor movement in the 1970's was distinguished by the considerable expansion of the variety of strike methods. The means used by strikers to exert pressure on employers became more diverse and included the threat to call strikes without any specific strike actions and immediate work stoppages. Moreover, in recent years the very term "work stoppage" has sometimes taken on new meaning. In some cases, this break in operations is intermittent, stopping the production process for brief but numerous periods; in other cases, it is of an isolated nature and impedes the functioning of individual (generally key) enterprise divisions. An example of this can be seen in the 1976 strike

by 80,000 automobile workers, which took the form of a series of "selective demonstrations" at 16 plants of the leading monopoly in this industry, General Motors. Although these "staggered" strike methods were only recently borrowed by American labor unions from the experience of Western European workers, particularly Italians, short-term strikes now constitute a high percentage of all strikes in the United States of America.

Following the example of Western European workers, U.S. laborers are also making more extensive use of certain strike methods that do not require the total stoppage of work, such as "work strictly according to regulations," "the coordinated deceleration of work tempo" and so forth. These actions are not listed as strikes in official statistics and are therefore not recorded. Agencies of the Department of Labor record only demonstrations in which six or more people completely stop working, resulting in the loss of at least one work shift or work day. Therefore, the present serious advances in strike tactics are not directly reflected in statistics and this distorts the real picture.

By tradition, the picketing of enterprises is widely practiced in the United States. The picketers keep people from entering the establishment, particularly strikebreakers. The use of this method has been particularly effective in civil construction. In connection with the increasing frequency of this kind of picketing, it is being subjected to particularly fierce attacks in bourgeois propaganda. Workers are being accused of disregarding the "sacred rights" of private property. In these cases, American legislators have taken the employers' side: In 1976 the right of workers to picket was limited in a number of branches, including construction, by an overwhelming majority of the U.S. Congress.

A specifically American method, related in purpose to the strike, is the boycott of products of particular companies or the services they offer (transportation or consumer services). This tactic was used in the 1970's against companies in many industries. The boycotting of clothing manufactured by the large American J. P. Stevens firm, which has been going on intermittently for many years now and has been publicized throughout the world, has now crossed national boundaries. The reason for the boycott is the administration's refusal to give workers permission to organize a union. The same dimensions were taken on by the boycott of grapes grown in California. In 1976 the workers' victory over the "big four" monopolies in the rubber industry was assisted by the active boycotting of their products by dozens of labor unions in many countries, including associations affiliated with the World Federation of Trade Unions.

Changes in Striker Demands

At present, the American labor movement is mainly pursuing goals of an economic nature. The chief demand in demonstrations which were participated in by around half of all strikers in the 1970's was an increase in wages. The employment problem was also an important cause of strikes:

The slogan "Give us guaranteed employment!" was voiced by an average of almost 10 percent of all strikers throughout the nation during the same period. Approximately 3 percent of all strikers are fighting for better working conditions. But the struggle for these demands is not the entire class struggle.

The higher level of qualitative training of labor, the increased organization and the heightened class awareness of workers are effective factors which are expanding the group of demands made of the bourgeoisie and are changing the structure of these demands. Moreover, the workers are developing needs which can only be satisfied as a result of concessions on the part of the ruling class as a whole, which will inevitably change the "recipient" of the demands and, consequently, their nature.

The increasingly pronounced conflict between capital's tendency to denigrate the role of the worker in production, to divest his work of all its creative content and to treat him as an inferior, on the one hand, and the contemporary working class' desire to take a more suitable place, corresponding to its social role, in the production process, to cast off the functions of an "animated robot" and to establish control over all the conditions of its existence, on the other, is being reflected more and more in strike platforms. Marx said that capitalism developed man as a worker whereas the highest goal of social progress is to develop the worker as a man. It is precisely in this context that we should examine the increasing number of strikers in the United States who are insisting both on broader opportunities for their own participation in decision-making on the most diverse matters in their professional lives, and on greater freedom for labor unions at enterprises. Almost one-third of all strikers are now demanding so-called industrial democracy. This involves problems in the organization of production and labor, production training and so forth.

But the problem of insecurity has certainly not been removed from the strike agenda. Moreover, it is understandably brought up among the most urgent matters at times of crisis, when the bourgeoisie tries to normalize the economic situation by disregarding the interests of the general working public.

One of the main aspects of the struggle for higher wages in the United States has been the demand to implement the "sliding scale" principle, which keeps wages in line with the constantly rising cost of living. The American working class has been quite successful in this area. In 1970 slightly more than 25 percent of all hired laborers were paid according to the "sliding scale," and by 1979 the indicator had risen to 60 percent.⁷ Calculations show, however, that the "automatic" raising of wages to keep up with the cost of living is not enough for the maintenance of a normal existence. For example, in the second half of the 1970's, salary raises based on the "sliding scale" compensated workers of the General Electric monopoly for only 25 percent of the losses they incurred as a result of inflation.⁸

Another demand--direct salary increases--does not solve the problem completely either. Throughout the nation as a whole, the amount of salary increases wrested by blue- and white-collar workers from enterprise and company administrations during the renegotiation of contracts grew. Whereas these increases annually amounted to an average of 3.2 percent of total wages in 1960, in the next decade the figure was 8.9 percent a year. In spite of this, the average wages of a worker in the electrical engineering industry, for example, was 25.3 percent lower in 1978 than the official minimum subsistence level for a family of four.⁹

This is rousing American workers to fight for effective measures for guaranteed wage security on a higher level--the government level. This would mean a rise in the minimum wage by means of legislation. Although union pressure has forced enterprises of some companies to pay salaries exceeding the minimum wage in many cases, it still serves as a necessary point of departure for demands for higher wages in each specific case.

What result has the systematic rise in the guaranteed minimum wage in the United States had? Here are just two admissions by official government bodies. The National Commission on Employment and Unemployment Statistics notes: "In 1977 more than 5 million people working 40 hours a week or more were paid salaries below the annual minimum and were members of families in which the total income was 150 percent below the poverty level."¹⁰ The journal of the Department of Labor, the MONTHLY LABOR REVIEW, wrote in turn: "Millions of actively working heads of families who are paid a guaranteed wage are incapable of providing their families with all of the necessities. In spite of the rise in the minimum wage, around 12 percent of our population lives in poverty."¹¹

Naturally, it cannot be said that the massive--in three basic areas--counteroffensive of the American working class in the sphere of material well-being is not resulting in any kind of improvement. On the whole, workers in the United States--this richest country in the capitalist world today--by whose efforts powerful productive forces have been created and a high level of labor productivity has been achieved, have attained, in fierce class battles with the bourgeoisie, a relatively high standard of living, higher in many cases than the corresponding indicators for Western European countries and Japan. Their successes, which take the form of annual salary increases, however, are largely "devoured" not only by the unprecedented rise in the cost of living (12-13 percent a year), but also by the high degree of production exploitation (in 1978 each General Motors worker earned the monopoly profits amounting to 8,000 dollars, and the figure was 9,000 dollars in the case of Ford), as well as the increasing tax burden (on the average, up to 30 percent of the worker's salary is deducted in the form of various taxes).

All of this clearly attests to the limited possibilities of working class struggle, no matter how broad and intense it may be, if it is waged primarily for the satisfaction of economic demands. American labor unions

are justifiably pointing to the widening gap between the financial status of the working class and the wealth of the members of the bourgeoisie who are living on its underpaid labor.

The demands of the American working class for salary increases over and above the minimum sum required simply to maintain the minimum subsistence level are objective in nature. The rising cost of labor now takes in such integral elements of its reproduction as constant education and production training, health care and social security. As a rule, the hired worker must pay for all this directly out of his own wages. The solutions to these problems, if they are to be at all satisfactory to the working class, can only be found on the government level in the overwhelming majority of cases, and it is this that the working masses are demanding. Therefore, their economic struggle is unavoidably taking on political tones with the passage of time, since the interests of the two main classes in bourgeois society conflict in this struggle. A concrete example of this kind of confrontation is the movement against the setting of wage "ceilings" by the government.

Although the struggle for the resolution of another problem of vital importance to the workers--the employment problem--is being waged, judging by official statistics, by a much smaller number of strikers than the struggle for a decent wage, this aspect of strike activity is extremely important in the United States today. It should be noted that statistics on the number of persons striking for expanded employment do not indicate the actual scales of this struggle. "We want work!" and "Guaranteed employment!"--these are the slogans of many mass-scale measures by workers: demonstrations, mass meetings and protest marches. But official statistics record neither these nor the number of persons participating in them. Reference works and the periodical press only contain information about so-called labor conflicts at enterprises.

At the same time, the very approach of the working class to the problem of job security is gradually changing by virtue of its rising demands and the need to satisfy spiritual, cultural and intellectual needs. The very concept of the right to work is taking on new meaning. The workers are raising the issue of work which will contribute to the personal development of the individual. The class import of this demand, which is only being made episodically as yet, is already promoting the convergence of individual segments of the hired labor force, as even its partial satisfaction will consolidate not only the current interests of various socioprofessional categories of workers, but also their long-range goals. The eradication of social boundaries of this kind serves as a prerequisite in this case for the further polarization of most of the hired labor force on one side and capital on the other.

The struggle of the working class for the right to work in jobs which will promote the qualitative improvement of the worker is being impeded by the practice of capitalist company administrators of reorganizing labor processes, known as the "expansion of labor functions," the "enrichment of

"labor" and so forth. These measures, with which capital has armed itself, although they are justifiable in themselves and take the realities of production relations into account, are expected not only to divert most of the working class from its chosen path, but also to increase the exploitation of this class. Under these conditions, one of the primary objectives of progressive labor unions in the United States has become the elaboration of alternatives to employers' positions. Although the fight for creative and meaningful labor is only beginning, it represents one of the major elements of this kind of alternative.

The constructive nature of strike demands is one of the distinctive features of the American workers' struggle to solve the employment problem. This is reflected in the proposal that a shorter work week be instituted with no change in salaries (according to progressive researchers in the United States, the reduction of the work week by 5-6 hours in just the processing industry would provide up to 9.5 million more people with work), that compulsory overtime work be abolished (according to labor unions, a 40-hour work week without compulsory overtime could lead to the creation of 116,000 new jobs in the automotive industry alone), that annual vacations be lengthened, that the compulsory retraining of workers be conducted on company time, that supplementary wages be paid to people now working a partial work week, and so forth.

The gradual emergence of the strike struggle from the narrow bounds of the enterprise is attested to by the movement which began in the 1970's in defense of the material well-being of senior citizens. Better pension security was the central issue in a huge strike organized in March 1979 by one of the largest American unions--the teamsters' and warehousemen's union. Around 300,000 strikers demanded that the owners of more than 11,000 companies include a provision regarding a "sliding pension scale" in collective contracts.

On the national level, a struggle against increased military spending is also beginning. This demand is not officially a part of strike platforms, but the issue has been raised by the unions leading the labor movement and has been one of the most important demands made by participants in mass marches, demonstrations and meetings, in the organization of which the unions are now playing an increasingly important role. The demand for de-escalation of the arms race is a constant theme in the communist and labor press in the United States. The working class of this nation repudiates the assertion of ruling circles that even the partial conversion of production to the manufacture of civilian commodities would result in "new economic upheavals" and allegedly lead to a further rise in unemployment.

American union activity in support of measures to curb the arms race deserve special attention. The presidents of large labor unions are actively participating in the work of the "Americans for SALT" committee: D. Fraser of the automotive workers' union, W. Winpisinger of the machinists' union and others. The immediate ratification of the SALT II treaty

was advised by the steelworkers' union. At the 23d biannual congress of the International Brotherhood of Teamsters and Warehousemen of the West Coast in the summer of 1979, a special resolution was passed in support of the SALT II treaty. It stated, in particular, that the rejection of this document by the Senate "would mean victory for those who are striving for an unlimited race for arms and heightened international tension." In connection with this, the union decided to take "all possible measures to mobilize support for the treaty throughout the U.S. labor movement and ensure progress in the reduction of arms production."¹²

The following statement was made at a conference of the United Automobile Workers of America: "Pentagon expenditures are depriving the Americans of huge sums. The 2 trillion dollars absorbed by the military establishment in the last 30 years could have been used for the development of the public health system, the guarantee of full employment and urban renewal."¹³

The development of events on the fronts of the class struggle in the United States in the 1970's demonstrated that the strike is still serving the working class as a reliable and effective weapon in the fight for better socioeconomic conditions. Combining strikes with a firm line in collective bargaining, the workers have not only been able to reinforce past gains, but are also forcing the bourgeoisie to make new concessions.

The strike movement is a permanent factor contributing to social tension in the United States. It reflects the protest of workers against all types of state-monopolistic oppression and expresses this protest in the form of overt and often uncompromising class battles. The massive scale of demonstrations, which have risen to the level of nationwide strikes, is one of the more distinctive features of the strike struggle of the last decade.

General democratic movements of various types, uniting the broadest segments of the working public, are rallying more and more around the strike movement. There has been an evident tendency toward the convergence of the current and long-range goals of the movements and the strike struggle, and the social base of the labor movement is constantly expanding.

The strategic objectives of strikers are gradually emerging from the narrow framework of economic struggle. Rising to the level of demands addressed to the entire bourgeois government, and acquiring nationwide significance, these working class demands are taking on a political tone.

The current stage in the development of the confrontation between hired labor and capital is described in the following way in the Draft Main Political Resolution of the 22d Congress of the Communist Party of the United States of America (22-26 August 1979): "The wave of strikes is growing. Strikes are being initiated by rank-and-file workers more frequently.... Now that class conflicts are more pronounced, the working class is taking the course of the heightened activity and policy of class struggle."

FOOTNOTES

1. Calculated according to "Handbook of Basic Economic Statistics," July 1979, pp 68-69 (1979 estimated).
2. The initial data for these and later calculations (if no statements are made to the contrary) have been taken from corresponding editions of the official publication "Analysis of Work Stoppages in the United States." This set of calculations is based on the latest edition of this handbook, published in 1977.
3. Calculated according to "Statistical Abstract of the United States," 1971, p 222; MONTHLY LABOR REVIEW, May 1979, p 69.
4. See V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 30, pp 54-55.
5. Calculated according to "Handbook of Basic Economic Statistics," July 1979, p 68.
6. Ibid.
7. "Labor Relations Yearbook," Wash., 1975, p 534; MONTHLY LABOR REVIEW, December 1978, p 15.
8. UE NEWS, 7 May 1979, p 1.
9. Ibid., p 6.
10. "National Commission on Employment and Unemployment Statistics. Counting the Labor Force: Preliminary Draft Report," Wash., 1979, p 49.
11. MONTHLY LABOR REVIEW, July 1979, p 17.
12. THE DISPATCHER, 15 June 1979, p 8.
13. POLITICAL AFFAIRS, July 1979, p 4.

8588

CSO: 1803

OIL AND AMERICA'S ENERGY STRATEGY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 34-45

[Article by Yu. V. Kurenkov and K. I. Mangushev]

[Text] In the 1970's the satisfaction of the U.S. economy's increasing demand for oil became one of the nation's most urgent economic and political problems--a problem which is increasingly affecting various spheres of public life in the nation. Each new administration which has come to power in the last decade has officially announced the vital importance of this issue and has drawn up its own energy program as a major element of U.S. domestic and foreign policy.¹

The administrations and their programs changed, but national self-sufficiency with respect to oil not only failed to increase, but, on the contrary, even decreased. As yet, not one of these programs has led to any real positive changes in the balance of U.S. energy resources. Their failure has essentially been admitted by President J. Carter in televised speeches and in speeches in Kansas City (on 15 and 17 July 1979). And this failure is obvious. The total consumption of oil and other primary energy resources is still growing and is already far ahead of the 1972 figure. Imports of oil and petroleum products are also still increasing and now account for approximately half of all petroleum consumed in the nation. As a result of this and in connection with the rise in world prices, the total cost of imports rose from 7.5 billion dollars in 1973 to 45 billion in 1978. In the new prices, in effect from 1 July 1979 in accordance with an OPEC decision, the current volume of imports, if it remains the same, will, according to estimates, total almost 70 billion dollars. There is no question that this will contribute to the further growth of the U.S. negative balance of payments. The economic burden of imported oil and petroleum products, however, is almost totally transferred to the shoulders of consumers, bringing about a further rise in prices and a decline in real wages. At the same time, the total net profits of American oil companies increased 2.6-fold during these years. The administration's decision, made under monopoly pressure, to gradually (up to 1 October 1981) lift price controls on American oil within the nation will open additional channels for pumping the consumers' money into the safes of the powerful monopolies.

All of the various attempts of the leading capitalist powers to solve energy problems (particularly the problem of petroleum supplies) collectively, within the framework of the International Energy Agency and the Organization for Economic Cooperation and Development, have failed. These attempts have been impeded by the egotistical policy of the United States, aimed at the use of the capitalist world's oil resources first and foremost in its own interests.

In order to understand the real reasons for the energy problems of the United States, particularly the petroleum issue, and the related political and economic steps taken by the American Government, it would be expedient to examine present conditions, tendencies and possibilities for development in the U.S. oil industry. The propaganda machine and the oil monopolies in the United States have done much to give the world public the mistaken idea that the national oil industry's raw material base has been "depleted" and its production capacities are limited. An objective analysis of the geological and technological capabilities of this branch of the American economy provides for a more thorough understanding of the energy strategy of this largest power in the capitalist world and, on this basis, the better prediction of U.S. policy in the world oil markets in the 1980's. This kind of analysis and the resulting conclusions are of practical as well as scientific value.

From an Abundance of Petroleum to Dependence on Imports

Until recently, the United States was the major oil producer in the capitalist world. It still occupies a leading position in this area, surpassed only by Saudi Arabia since 1976 (in terms of crude oil production, without consideration for gas condensate). In all, between the time when U.S. oilfields began to be worked and the beginning of 1979, around 16 billion tons of oil had been produced in the nation. Three-quarters of this oil was extracted after World War II, and the maximum annual extraction level was reached in 1970 (474.2 million tons). Despite the massive scales of oil production, however, the United States became the largest importer of oil in the entire world in recent decades.

How did this happen? Why did the United States allow its economy to become dependent on foreign sources of oil? Before we answer this question, we must examine energy consumption patterns in the nation.

At the beginning of the century, around 90 percent of all U.S. energy needs were satisfied through the use of solid fuel, primarily coal, the extraction volume of which exceeded 500 million tons a year at that time. As early as the 1920's, however, the proportion accounted for by coal in total energy consumption dropped to 73-75 percent, and the figures for oil and gas rose to 12 percent and 4 percent respectively. In the first post-war years, the proportional figures equalized, and then coal began to be intensively superceded by liquid and gaseous hydrocarbons. In 1950, for example, oil and gas accounted for 58.8 percent of all fuel and energy

resources consumed, in 1960 the figure was 74.4 percent, in 1970 it had risen to 77.7 percent, and in 1978 it was 76 percent (see Table 1).

Table 1

Fuel and Energy Consumption Patterns
in the United States, %

Years	Petroleum fuel	Natural and casing-head gas	Coal	Hydraulic* and nuclear power
1947	34.4	13.7	47.9	4.0
1950	38.9	19.9	40.1	1.1
1960	43.2	31.2	24.3	1.3
1970	42.0	35.7	20.8	1.5
1975	44.3	30.9	22.3	2.5
1976	45.4	30.3	31.9	2.4
1978	47.0	29.0	21.0	3.0

* Data pertaining to electric energy produced by nuclear power stations have been recalculated according to the efficiency factor. In some foreign sources, total expenditures of primary fuel and energy resources on the production of electric energy are sometimes cited.

Calculated according to: "World Energy Supplies," editions for corresponding years; WORLD OIL, 15 February 1979, pp 58-59.

This radical restructuring of the energy balance was not accompanied by the proper development of the production base of the fuel complex. By 1950, liquid fuel consumption in the United States was already slightly higher than the internal production level, and this gap subsequently widened rapidly. For example, oil production in the nation was equivalent to only 97 percent of total consumption in 1960, 83 percent in 1970 and approximately 50 or 60 percent in 1978. Between 1950 and 1978, the consumption of oil and petroleum products in the United States almost tripled: reaching 860 million tons, while production increased by only half this amount--415 million tons (see Table 2). To correct this huge imbalance, the United States increased imports of oil and petroleum products almost tenfold during the same period. The gap between levels of natural gas production and consumption also widened gradually (see tables 2 and 3).

It is known that the cost of oil prospecting and production in the United States is much higher than in the oilfields discovered in the developing states after the war. For example, in 1977 the U.S. cost was 2.3 times as high as in Africa, 3.1 times as high as in Southeast Asia and 14.6 times as high as in the Near and Middle East.² Whereas the average yield of oil wells in the United States did not exceed 2.5 tons a day in 1972, one well in Saudi Arabia produced an average of 1,593 tons a day, a well in

produced 2,095 tons and the average well in Iran produced 2,300 tons. It is not surprising that the extraction of oil in these countries was much more profitable from the very beginning for American monopolies than domestic oil production or the derivation of energy from alternative sources. For example, in the beginning of the 1970's, calculated per conventional fuel ton, oil from the Middle and Near East cost two-sevenths as much as coal from standard American mines and one-sixth as much as coal from deep mines. The production of liquid fuel and gas from bituminous shale or coal cost 25 times as much as this oil.³ As a result, the net profit standard of American oil companies in the Middle East in 1970 was 99 percent.

The extremely high profitability level of capital investments in oil production in the developing countries is what determined U.S. energy policy in the 1950's and 1960's. The U.S. Government not only did not discourage, but essentially even encouraged, this diversion of capital from the needs of energy development within the nation and the flow of cheap imported oil into the U.S. domestic market.

Table 2

**Production and Consumption of Basic Types of Mineral Fuel in the United States,
millions of tons of conventional fuel**

Years	Coal		Oil, gas condensate		Natural gas	
	Production	Consumption	Production	Consumption	Prod.	Consump.
1950	506	446	421	433	225	222
1960	392	359	564	638	460	460
1970	552	471	791	947	792	806
1975	586	524	696	1042	707	727
1976	599	544	677	1127	714	753
1978	635	564	723	1261	745	778

"World Energy Supplies," editions for corresponding years; THE OIL AND GAS JOURNAL, 29 January 1979, pp 107-124.

Virtually all forecasts of energy conditions and economic development as a whole up to 1985-2000 were based on the assumption that there would be no limits on the use of imported oil. For example, in the early 1970's, the National Petroleum Council and the Bureau of Mines predicted that the national demand for petroleum products would reach 1,100-1,460 million tons a year by 1985, 900 million of which would be imported.

The maximum augmentation of oil imports was regarded in the United States as a major undertaking, aimed not only at ensuring considerable economic gains, but also at defending U.S. strategic interests through the

conservation of America's own oil resources. This was the common policy of monopolistic capital and government circles. State-monopolistic capital in the United States, hoping that the neocolonialist order it had set up would remain unchanged, concentrated mainly on prospecting and the intensive working of oil fields in other countries. For example, the five largest U.S. oil concerns alone had fixed capital worth a total of 16.1 billion dollars outside the nation in 1972. The same year Exxon produced 281 million tons, but only 55 million in the United States, while the respective figures for other firms were 187 million and 45.1 million for Texaco, 165 million and 28 million for Gulf Oil, 103 million and 18.8 million for Mobil Oil and 163 million and 31 million for Standard Oil of California. The gross capital investments of American oil companies abroad (excluding investments in geological prospecting) rose from 2.6 billion dollars in 1964 to 5.5 billion in 1972.

Table 3
U.S. Petroleum Supply Balance

	1950	1960	1965	1970	1972	1975	1976	1977
Production								
millions of tons	266	347	384	474	467	412	402	403
%	100	130	144	178	176	155	151	151
Consumption*								
millions of tons	303	505	576	745	816	824	863	896
%	100	167	191	246	269	272	285	296
Imports								
Oil, millions of tons	23	52	62	66	111	204	258	316
Petroleum products,								
millions of tons	19	40	60	103	120	100	100	110
Total, millions of tons	42	92	122	169	231	304	358	426
%	100	219	290	402	550	724	852	1014

* Including gas condensate and liquefied gas (after 1960).

"World Energy Supplies," editions for corresponding years; WORLD OIL, 15 February 1979, pp 113-116; THE OIL AND GAS JOURNAL, 30 January 1978, pp 123-126.

This led to the sharp reduction of geological prospecting for oil in the United States. For example, 13,000 test wells were drilled for oil and gas in the United States in 1956, 7,700 in 1970 and around 11,000 in 1978. As a result, known reserves of petroleum began to decrease in the nation, and oil production capacities began to be used less (for example, the use level in Texas rarely reached 70 percent in 1950-1971, and it was only 25-30 percent in 1960-1965). Moreover, most of the drilling took place on the continent, although the largest potential resources of petroleum⁴ were concentrated in Alaska and, in particular, on the continental shelf. The oil

companies preferred not to take any risks and were reluctant to engage in prospecting work in areas difficult of access (for example, only 0.3 percent of all wells drilled in the United States in 1978 were in Alaska), since the drilling of wells of, for example, 1,750 meters in depth in Alaska cost 15.3 times as much as on the mainland, and the same drilling on the continental shelf cost 8.5 times as much as on the mainland. As a result of the low rate of development in new regions, the effectiveness of geological prospecting for oil in the United States declined from 36.3 tons of reserve increment per meter of well drilled in 1960 to 23.2 tons per meter in 1972. It was this, and not the depletion of deposits, that was the main reason for the decrease in known oil reserves in the nation in the 1970's.

As we know, however, a joint struggle by the developing countries against the robbery of their natural resources by foreign monopolies brought the "era of cheap oil" to an end, and world oil prices have approximately quintupled between 1973 and 1979. This rise in prices and the temporary cessation of Arab oil deliveries (or their reduction) in 1973 and 1979 (at the time of the revolutionary events in Iran) demonstrated the instability of U.S. oil supply operations based on foreign sources and, as a result of the speculative policies of oil monopolies, led to serious economic upheavals and political difficulties in the nation. This forced the American Government to admit that the reasons for the nation's current energy problems can be found in the internal economic and political conditions of its development, and to make a more vigorous search for ways of correcting the tremendous disparity in the development of branches producing and consuming energy.

What are the deep-seated reasons for the failure of the U.S. Administration's attempts to reduce national dependence on imported oil? Is it possible that the administration's attempts to concentrate on the use of America's own fuel and energy resources have been economically unsound? Or can the reason be found in another, unadvertised but actual U.S. policy, which is aimed at conserving national energy resources through the intensive working of the reserves of other states?

Are U.S. Oil Resources Depleted?

The provision of the national economy with oil and petroleum products is a cardinal issue in the resolution of U.S. energy problems, the principal element of all federal energy programs and one of the mainsprings of American foreign policy in Asia, Africa and Latin America.

According to American statistics, known oil reserves⁵ in the United States totaled 3.84 billion tons in the beginning of 1979. Consequently, judging by the actual level of oil production in 1978 (415 million tons), known reserves would supply the nation for less than 10 years (this hypothetical indicator was equivalent to 15.1 years in 1930, 12.8 years in 1950 and 11.1 years in 1970), and this total was only 4.5 times as high as the actual level of petroleum product consumption in the nation that same year.

In our opinion, however, we cannot base our views on these indicators alone. Calculations indicate that, despite the constant growth of oil production in the United States during the 60 years prior to the beginning of the 1970's, known oil reserves constantly increased as well. Besides this, the actual production figure during each of the six decades was equivalent to 84-107 percent of the known reserves recorded at the end of the preceding decade (see Table 4). Between 1958 and 1967, for example, the extraction figure was equivalent to 84 percent of the known reserves recorded at the end of the 1948-1957 decade: ($\frac{3,707}{4,414} = 0.84 = 84$ percent).

Consequently, the United States was actually increasing its real oil resources. In our opinion, it would be more correct to define these resources as the sum of the quantity of oil extracted (for instance, over a period of 10 years) and the difference between known reserve statistics at the beginning and end of the period. For example, between 1958 and 1967 the United States actually used a quantity of oil equivalent to 4,493 million tons: Of these, 3,707 million tons represented the total extraction figure for the period and 786 million tons represented the increment in known reserves over the 10 years ($5,200 - 4,414 = 786$).

Table 4
Basic Indicators of State of U.S. Oil Resources

	1918- 1927	1928- 1937	1938- 1947	1948- 1957	1958- 1967	1968- 1977
Total production over 10 years, millions of tons	821	1298	2037	3069	3707	4409
Known reserves at end of decade, millions of tons	1240	2393	2881	4414	5200	4012
Actual increment in real resources, millions of tons	--	2451	2585	4602	4493	3221
Total production in percentage of known reserves at end of preceding decade	--	105	85	107	84	85

Calculated according to "World Energy Supplies," 1950-1974; 1972-1976; 1976; 1978; THE OIL AND GAS JOURNAL, 29 December 1969, pp 94-95; 25 December 1972, pp 82-83; 25 December 1978, pp 102, 103; WORLD OIL, 15 February 1979, pp 113-116.

Taking this approach, which seems more objective to us, to the assessment of petroleum resources, the situation in the United States does not appear critical, at least not before the 1970's. For this reason, the "oil hunger" in the United States, with which oil companies are frightening the world public in order to justify their own expansionist and aggressive actions in the oil-bearing regions of the world, is more a means of political pressure than a geological or technological factor.

In all, more than 20,000 oil deposits were discovered in the United States prior to 1978. Its original geological reserves--that is, known and evaluated reserves--are estimated at 61 billion tons, of which less than 16 billion have been extracted during 118 years of industrial working. The current yield⁶ of deposits in the United States was estimated at only 33 percent in 1977. Consequently, two-thirds of the reserves that are being industrially worked are still underground, creating and constantly increasing resources that cannot be extracted with current technology. For example, of the 45 billion tons of oil now underground in the United States ($61 - 16 = 45$), less than 4 billion are categorized as known reserves, 20 billion are considered to be "unextractable,"⁷ and the working of the remaining 20 billion has been deemed economically unprofitable until recently. Therefore, the United States has at least 20-25 billion tons of oil which will be extracted sooner or later; this is far in excess of total oil extraction in the United States during the entire history of oil production.

Intensive work is going on in the United States to develop and test "secondary" and "tertiary" methods of oil extraction in order to increase the yield of strata. The thermal working of strata is being tested in 125 experiments in the field, 7 experiments are being conducted with the pumping of gas, and 82 experiments involve the use of solutions of various polymers, alkali and carbon dioxide.⁸ Most of this work is going on in Texas, Louisiana and California, where around 52 percent of all known oil reserves are concentrated. In 1979, more than 110 million dollars was allocated to finance experiments to increase the yield of oil deposits, including 47 million from the Department of Energy budget. Plans call for even broader research and industrial testing in this field in the future. According to the calculations of this department, a higher yield could increase extractable oil reserves in the United States by 5.4-5.7 billion tons (for example, the use of just "tertiary" methods in 1990-1995 could lead to the extraction of 180-200 million additional tons of oil each year). At the 10th World Oil Congress (Bucharest, September 1979), these figures were confirmed to be the minimum possible quantities. It was also confirmed that the use of "tertiary" methods of oil extraction in the United States would provide for the extraction of around 20 billion additional tons of oil.

In addition to oil fields, deposits of bituminous sand and shale represent a huge source of liquid hydrocarbons in the United States. The intensive work on technology for the production of liquid fuel from coal will also serve this purpose. For example, according to the data of the 10th World Oil Congress, resources of crude hydrocarbon in deposits of bituminous shale⁹ with a kerogen content of 38 liters or more per ton total around 250 billion tons. The largest shale deposits (with an average crude hydrocarbon content of 95 liters per ton) are located in Colorado and Utah. Besides this, more than 500 deposits of bituminous sand, containing around 4 billion tons of oil, have been discovered. Naturally, the development of these sources will require large investments and will necessitate the resolution of complex technical, economic and organizational

problems, but the United States will have to solve these problems (many industrially developed countries will have to do this).

It can be said, therefore, that the United States has sufficient resources of crude hydrocarbon for the complete satisfaction of its demand for petroleum products within the foreseeable future.

Imports vs. Domestic Production

Economists have noted a paradox: The higher world oil prices climbed, the more sizeable oil imports became in the United States. For example, crude oil imports in 1977 were almost three times as great as in 1972. Moreover, in order to stimulate the creation of strategic oil reserves prior to the beginning of the fall and winter of 1979/80, something like a bonus for the augmentation of oil imports was temporarily instituted in the United States in 1979--a government subsidy paid to oil suppliers (that is, the aforementioned U.S. monopolies) in amounts of up to 35 dollars for each ton of imported oil. This testifies that world oil prices still do not fully reflect the actual extent of the utility or use value of petroleum resources (non-renewable).

The logic of the capitalist form of economic management has once again diverged from reality: The higher production costs of American oil in comparison to foreign oil caused capital to flow out of the nation, which impeded the development of the U.S. oil industry in the 1950's and 1960's. Under the new conditions of the rapid rise in world prices in the 1970's, American oil companies continued to suppress the development of the U.S. oil industry, as they felt it was not profitable enough for them to invest capital in this industry given existing domestic prices (their rise has not kept up with the rise in world prices) and the "too rigid," in their opinion, federal price controls. This manner of stating the issue seems contrived. In the first place, in spite of the federal controls, average oil prices in the nation were 2.6 times as high in 1976 as in 1970.¹⁰ In the second place, because they control the refining, shipment and sale of petroleum products, the oil monopolies were not only able to make up for the loss of part of their profits in the sphere of oil production, but even to increase profits at a time of rising prices by using the mechanism of monopoly prices on the final (or finished) product (petroleum products). For example, the total net profits of the largest oil monopolies were (in millions of dollars):¹¹

	1975	1976	1977	1978
Exxon	2503	2641	2443	2760
Gulf Oil	700	816	752	791
Mobil Oil	110	943	1005	1124
SoCal	73	880	1016	1080
Texaco	800	870	890	852

Nonetheless, once again the U.S. Government was unable to withstand the pressure of the oil monopolies. In April 1979, J. Carter announced that federal price controls on domestic oil would begin to be gradually canceled in June, so as to bring them up to the world price level by 1981. This means that the economic burden of the further development of the oil industry will be shouldered more and more by the American taxpayers--that is, primarily by the general working public.

In recent years, along with the economic considerations of the expediency of importing oil, the strategic plans of American imperialism have become increasingly apparent: plans to conserve its own resources until such time as other countries have depleted their national resources--that is, until a point in time which will probably be followed by a new "price explosion"--and to attempt, on this basis, to establish the United States in a unique, privileged position in the capitalist world. In our opinion, this is the actual political reason for all of the talk about the U.S. desire to curtail its dependence on imported oil. For this reason, in spite of the rising prices and the widely publicized statements of the American Government, imports of oil and petroleum products will continue to grow. Until such time as the United States finds suitable sources of oil somewhere in the capitalist world, all of the statements about the U.S. desire for oil independence will continue to be only declarative.

Under these conditions, the reduction in oil imports envisaged in the administration's new energy program and the promise J. Carter had to deliver at the Tokyo conference of the "Big Seven" in June 1979--that the United States would freeze oil imports at the current level until 1985--are not likely to be implemented, just as the notorious "self-sufficiency" program was never implemented. In our opinion, the United States will continue to import at least 450-500 million tons of oil and petroleum products a year in 1985-1990, utilizing all of the political and economic means at its disposal to exert pressure on the oil-producing countries for the creation and stabilization of import conditions acceptable to Washington. The increase noted in the last 2 or 3 years in investments in the development of the U.S. oil and gas industry, the increase in drilling operations and the augmentation of capacities for oil production are primarily aimed not at the reduction of regular imports of oil, but at the creation of raw material reserves and economic potential in the oil industry, which could help to prevent serious upheavals in the national economy in the future if foreign shipments of oil should be reduced or cut off for reasons beyond U.S. control.

Consequently, the growth of imports of oil and petroleum products is in the long-range economic and strategic interest of American imperialism, despite a number of serious negative consequences (for example, the sharp increase in the deficit in the balances of trade and payments). Therefore, there is no reason to anticipate a voluntary reduction, not to mention cessation, of oil imports by the United States.

Possibility of U.S. Self-Sufficiency Regarding Crude Hydrocarbons

In order to answer the extremely complex question of the possibility of this prospect, we will present several economic computations.

The most important criteria for determining prospects and drawing up programs for energy development over the long range are the expected levels and rates of population and GNP growth, as well as gross energy consumption per unit of GNP and per capita.

Over a period of 20 years (1959-1978), the U.S. population grew from 178.2 million to 216.8 million--that is, by 22 percent. According to American forecasts, the population will be 260 million by the year 2000--that is, it will be 20 percent greater than in 1978. Gross energy consumption per capita increased from 7.3 tons of conventional fuel in 1950 to 11 tons in 1975--that is, it increased 51 percent--and now exceeds 11.5 tons of conventional fuel a year, including around 3.5 tons of oil. Gross energy expenditures per dollar of GNP (in 1972 prices) amounted to 2.1 kilograms of conventional fuel in 1950 and 1.9 kilograms in 1975--that is, they were reduced by 9.5 percent.

In accordance with the administration's new energy program, the rate of increase in U.S. energy consumption should be lowered to 2 percent or less by 1985. In line with the data presented here, this means that gross energy consumption per capita should amount to 14.9 tons of conventional fuel in 1990 and around 16.5 tons in 2000, while energy expenditures per dollar of GNP should be equivalent to around 1.8 kilograms and 1.6 kilograms respectively (based on an estimated average GNP growth rate of 3.4 percent a year between 1976 and 2000). Under these conditions, total consumption of primary energy in the United States will be at least 3.3 billion tons of conventional fuel in 1985 and around 4.3 billion in 2000. If, on the other hand, the energy conservation program (as yet it has only been partially adopted) is not carried out--and its implementation has produced no tangible results to date--volumes of energy consumption in the American economy could be even greater.

What sources can the United States expect to use in satisfying these energy needs?

The share of hydroelectric power stations in the national consumption of fuel and energy resources is not likely to exceed 1.5-2 percent before the end of the century; the existing 78 nuclear power stations produced around 9 percent of all electric power in 1978, but in the structure of energy resource consumption as a whole, their share remained around the 3-percent level. The sharply increased cost and duration of nuclear power station construction and the strong public opposition to environmental pollution have lowered the rate of development in U.S. nuclear power engineering, and in 1976 and 1977 only five requests were submitted for the construction of new nuclear reactors while 32 previously concluded contracts were canceled. For this reason, we could hardly be accused of

pessimism when we predict that the proportion accounted for by nuclear power stations in electric energy production in the United States can only be estimated at around 10-20 percent right up to 1990, and their share in the energy balance will only be 6-6.5 percent. The proportions accounted for by solar, geothermal and wind energy in the U.S. energy balance are still negligible and, according to the majority of estimates, will be equivalent to 1-2 percent up to the end of the 1980's. The energy produced by means of thermonuclear synthesis, according to leading experts, will not be used in industry in the 1990-2000 period, although it is precisely in this field that new technological "breakthroughs" can be expected.

Therefore, it is most probable that 90 percent of the American economy's energy needs will be satisfied through the use of oil, gas and coal up to 1990. Moreover, the proportion accounted for by oil in the energy balance will most likely stay at 45-50 percent (see Table 5).

Table 5
Forecast of Energy Resource Consumption Patterns in the
United States*

	1976		1985		1990	
	conven. fuel tons, millions	%	conven. fuel tons, millions	%	conven. fuel tons, millions	%
Total energy consumption	2485	100	3300	100	3600	100
Breakdown:						
Petroleum fuel	1128	45.4	1580-1550	46-47	1630-1680	45-46
Gas	752	30.3	750	22.7	700	19.5
Coal	544	21.9	770-800	23-24	850-900	24-25
Nuclear power	61	2.4	130	4.0	236	6.5
Hydroelectric power			50	1.5	60	1.7
New sources of energy	--	--	20	1.0	70	2.0

* The forecast and calculations are the author's own.

According to our predictions, national requirements for liquid hydrocarbon raw materials, calculated in natural terms, will be equivalent to at least 1.1 billion tons in 1985 and at least 1.1-1.2 billion in 1990. To produce this quantity of oil, given current strata yield coefficients (33 percent), the United States will have to extract at least 3-3.5 billion tons of oil reserves each year. Obviously, it will not be able to accomplish this task by conventional means and, given current technological methods of oil production, this would hardly be possible. In the future, even if all proposed programs for increasing extractable petroleum reserves are carried out, the quantity will be brought up to 20-25 billion tons. Given the abovementioned volumes of petroleum product consumption, this would only last until the end of the century. And then what?

It is clear that under these conditions, the United States will continue to make maximum use of the resources of other countries, thereby greatly endangering their economic development. On the other hand, all countries have an interest in using oil only in the particular economic spheres where it is virtually irreplaceable from the standpoint of modern technology (petrochemicals and the production of motor fuel and lubricants). A look at the consumption patterns of petroleum products in all branches of the U.S. economy, with the exception of transportation, shows clearly that many of them are being used inefficiently. For example, in 1975 only 10 percent of all fuel oil was absorbed by thermal electric power stations, approximately 18 percent was used in industry and agriculture and 17 percent was used by other consumers (mainly the public utility sector).¹² Judging by the practice of using oil in each sector or branch of the economy, however, we can assume that around 250 million tons of oil could already have been replaced that year, in principle, by less scarce energy resources--coal and nuclear power. For this reason, if the United States wishes to satisfy all its demands for hydrocarbon raw materials, it would obviously be expedient for it to start by taking effective steps to sharply reduce unjustified expenditures of oil by replacing it with coal, nuclear power and new types of energy resources. As we mentioned above, the United States has not taken any such steps on a truly noticeable scale.

In connection with this, the continued rise in world prices on oil and petroleum products can also be interpreted as a means of preventing the predatory depletion of world oil resources by American monopolies.

It is also understandable that one of the main conditions for U.S. self-sufficiency in this field is the maximum development of oil production within this nation. Numerous forecasts published in the United States between 1970 and 1978¹³ envisage the growth of annual petroleum output to 600-730 million tons by 1985 and 800 million by 1990. In principle, this could be accomplished by means of more vigorous geological prospecting and the extensive use of methods to increase the yield of deposits. The plans to develop economical methods of producing petroleum products from bituminous sand and shale and to use these methods widely in industry, as well as the plans to produce liquid fuel from coal, are quite promising, even though they will involve considerable expense.

The Canadian experience confirms that this is a realistic solution to the problem. Since 1967 an industrial complex for the processing of bituminous gravel in the Athabasca region has been operating in the province of Alberta and is now producing around 3-3.5 million tons of oil a year. Construction work on a second complex of this type, with twice the capacity, has been completed.¹⁴ In view of the clearly defined tendency toward the escalation of prices in world oil markets, plans call for increasing the production of oil from bituminous rock in Canada to 15-20 million tons in 1985, 135-140 million in 1990 and 230 million by 2000-2005. Even now, the cost of producing a ton of oil in the mouth of the McKenzie River (in the

Canadian North), where most of the potential oil reserves of this nation are located, is 2.6 times as great as the cost of producing a ton of oil from bituminous rock. It is interesting that American oil companies are also working deposits of bituminous rock in Canada, since this means that the technology for production of this kind is well known in the United States. Moreover, methods for the underground and surface processing of bituminous shale for the derivation of standard petroleum products were worked out long ago in the United States.

As we mentioned above, U.S. resources of bituminous sand and shale, calculated in terms of their petroleum yield, exceed potential petroleum resources many times over. Consequently, they could serve the American oil industry as a new raw material base for many years.

Therefore, by restructuring its fuel and energy balance, vigorously engaging in the development of new potential oil reserves within the nation and the supplementary working of old deposits, and developing and mastering industrial methods for the derivation of petroleum products from bituminous sand and shale, the United States could, in principle, satisfy its own hydrocarbon raw material requirements. Naturally, this calls for serious effort and large capital investments.

The question now is whether American ruling circles, oil monopolies and the military-industrial complex will want to make these expenditures for the sake of guaranteeing the national energy independence they insist upon verbally. The entire experience of the energy crisis' evolution from one phase (1973) to a new one (the end of the 1970's) proves that the existing socioeconomic system in the United States is incapable of restraining the oil monopolies in the public interest or proposing truly effective and realistic programs to regulate the energy crisis. The dangerous growth of the negative effects of U.S. energy policy on global economic development, with corresponding effects on the international situation, is quite apparent.

Truly egalitarian and mutually beneficial economic cooperation by all countries of the world, regardless of their social structure and levels of economic and technical development, could help considerably in the resolution of world energy problems. The USSR and other socialist states propose that the basic principles of this kind of cooperation be discussed at the European energy congress and at the subsequent world energy congress.

FOOTNOTES

1. For a detailed analysis of the Nixon, Ford and Carter energy programs see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 9, 1977; No 11, 1979.
2. PETROLEUM OUTLOOK, vol 31, No 5, 1978.

3. PETROLEUM ECONOMIST, February 1975, pp 59-61.
4. The total quantity of oil that might be located in a particular region.
5. Prospected and precisely calculated oil reserves which can be extracted by current means and are convenient to work at the current price level.
6. The ratio of oil reserves which can be extracted by known and mastered methods of extraction to total reserves in a region or nation.
7. Known reserves in a particular region (or deposit) which cannot be extracted by existing methods.
8. THE OIL AND GAS JOURNAL, 27 March 1978, pp 114-140.
9. Bituminous shale consists of a mineral base and the organic part of the crude hydrocarbon (kerogen).
10. "U.S. Bureau of Mines. Minerals Yearbook and Annual Petroleum Statements," October 1977, section VI, Table 8a.
11. PETROLEUM ECONOMIST, May 1978, pp 180-182.
12. "Statistical Yearbook 1976," United Nations, N.Y., 1977, p 373; "Statistics of Energy," OECD, Paris, 1974, pp 175-184.
13. "United States Energy Through the Year 2000," U.S. Bureau of Mines, 7 December 1975, Wash., 1975; "59th Electric Power Survey. A Report of the Electric Power Survey Committee of the Edison Electric Institute," Wash., 1976; PETROLEUM ENGINEER INTERNATIONAL, November 1978, vol 50, No 12, pp 26-38.
14. CANADIAN MINING JOURNAL, February 1978, pp 162-168; OIL WEEK, 23 October 1978, pp 30-34.

8588
CSO: 1803

HOLLYWOOD AND TV: FROM CONFRONTATION TO COOPERATION

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 46-57

[Article by N. A. Golyadkin]

[Not translated by JPRS]

CSO: 1803

UNITED STATES AND UN SCIENCE AND TECHNOLOGY CONFERENCE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 58-62

[Article by G. S. Sibiryakov and O. G. Pavlov]

[Text] One of the major UN undertakings of 1979 was the world conference on development through science and technology, which was held in August in Vienna, the capital of Austria. More than 4,000 delegates from virtually all states in the world and the representatives of dozens of international governmental and non-governmental organizations discussed possibilities and concrete plans for the use of science and technology for the progress of civilization, for the socioeconomic development of all nations and peoples.

The conference agenda included such questions as the selection and transmission of technology for developmental purposes, the eradication of obstacles impeding the better use of scientific and technical achievements; organizational measures and new forms of international scientific and technical cooperation; the use of the existing system made up of the United Nations and other international organizations; science, technology and the future.

One of the characteristic features of the Vienna conference, just as of many other international forums of recent years, was the discussion of specific scientific and technical problems in close relation to such cardinal political and socioeconomic issues of the present day as detente, disarmament, the strengthening of mutual trust in relations between states and the reorganization of international economic relations on the basis of the principles of equality and respect for national sovereignty.

Reports prepared by representative groups of experts from individual countries, informational summaries by the outstanding scientists of the day, survey documents and the recommendations of experts from the United Nations and other international organizations, both governmental and non-governmental, were brought to the attention of delegates. These documents contained descriptions of the present status of the fundamental and applied sciences, forecasted the development of the more promising branches of technology and elucidated the socioeconomic and political aspects of scientific and technical progress.

The American delegation also submitted a comprehensive report. It must be said that the United States began to pay more attention to problems of "technological diplomacy" in the mid-1970's. Sufficient evidence of this can be found in the three-volume work of the Library of Congress Research Service, "Science, Technology and American Diplomacy," a detailed analysis of the interrelationship between U.S. foreign policy and science and technology, or the materials of the Murphy Commission, which relate the results of a search for more effective organizational forms and methods of government action in the sphere of foreign policy. These works prove that the role of U.S. technological potential is constantly becoming a more important element in the arsenal of effective U.S. foreign policy media. The results of these and several other studies lay at the basis of the position taken by the United States at the Vienna UN conference on development through science and technology.

The national report of the United States was entitled "American Science and Technology for Purposes of Development: Contribution to the 1979 UN Conference." It was compiled by a private organization--the National Research Council. Representatives of the National Academy of Sciences, the National Academy of Engineering and the Institute of Medicine were directly involved in the work on this report. Besides this, at the request of the State Department, industrial firms in the United States submitted detailed summaries of the capabilities and interests of private business in connection with the use of specific elements of American technological potential in the developing countries.

The structure of the national report of the United States and the nature of the conclusions and recommendations in this report clearly testify that the focus of attention consists of two groups of scientific and technical problems. The first group concerns achievements which guarantee the United States a solid footing and, for this reason, can only be utilized by other countries in accordance with certain stipulated terms. The second group is made up of problems of extreme urgency for the United States itself and, for this reason, they are more conveniently categorized as global so that they can be resolved through collective efforts with consideration for the U.S. interest regarding the maximum use of American technology.

The American interpretation of the use of science and technology for purposes of development is most clearly set forth in the first part of the report. It contains the unequivocal admission that the United States' initiatives are based on its own understanding of the needs and priorities of the developing countries. The definitions of developmental goals are extremely abstract and totally unconnected with the socioeconomic structure or political goals of states: "The eradication of the most acute signs of poverty through the satisfaction of vital needs for food, shelter, work and education; modernization of the economy and the guarantee of production growth, both for consumption within the nation and for the purpose of acquiring export income." At the same time, it is quite striking that the

initiatives published by the American side, concerning the possible forms of scientific and technical aid to the developing countries, as acknowledged in the report, obviously exceed the actual financial capabilities of the United States. Therefore, they are only declarative in some respects.

At present, the United States is striving to offer the developing countries a variety of possibilities for making use of the experience at their disposal. In this connection, the Democratic Administration's recent decision to create a fund for technical cooperation within the framework of a new American organization--an institute for scientific and technical cooperation--seems promising. But the question of this fund has not been settled as yet, as Congress is expected to oppose the plan. On the whole, however, the creation of the fund, as even the authors of this report admit, would be an extremely feeble means of search for solutions to all of the difficult problems facing the developing countries.

The U.S. Government and private business are striving to first impose specific obligations on the developing countries, which they will have to assume in exchange for the right to make use of American technology. Only then--and on terms benefiting the United States--will Washington be willing to render this kind of assistance. This position is backed up by extremely vague or obviously demagogic statements such as the following: "The desire for material progress generally leads to the more pronounced interdependence of states, as no single state is economically independent with respect to the resources needed to carry out these plans."

Separate chapters in the report deal with the role of science and technology in the process of industrialization, problems connected with public health, nutrition and population; food production, the climate and the use of land and water resources; energy, natural resources and environmental protection; urban development, transportation and communications.

In the chapter dealing with problems in industrial development, consideration is given to the fact that industrialization is viewed in the developing countries as an essential condition for economic prosperity, public employment and national autonomy. The United States, however, hopes that the interests of the developing states in this respect will "coincide" with American interests in the broadest sense of the term. Otherwise, according to the United States, the gap between the developed and developing countries will widen, with all of the ensuing negative consequences for the economy, security and other important aspects of the development of young states. This warning is followed by a discussion of the possible ways of administering the American experience in the developing countries: through assistance in the establishment and consolidation of local centers for the training of technical specialists and administrators; through the intensification of personnel training, research and technical assistance programs in American colleges; through the creation of so-called "productivity centers" in the developing countries, centers for the development of

small-scale industry and agriculture; through assistance in the organization of scientific research in industry and the exchange of scientific personnel between research centers in the developing countries; through the organization of a "technology corps" (by analogy with the notorious "Peace Corps").

These and other forms of scientific and technical cooperation are expected to guarantee considerable benefits primarily for the United States. This is frankly stated in the conclusions at the end of the first chapter of the report: Correctly organized international cooperation and exchange could enhance the effectiveness of U.S. efforts to ensure the internal dynamism and continue the process of improvement in the U.S. economy on the basis of innovations, even if the existence of serious employment problems in the United States is taken into account.

The U.S. position centers around the idea that international cooperation in the field of science and technology can only be effective on the condition that private capital is guaranteed the leading, and even decisive, role. As the report states, private capital has the most potential, and only it can ensure the effective use of science and technology accompanied by the more efficient use of financial and material resources and skilled manpower. Government participation and intergovernmental regulation of scientific and technical international cooperation will establish, according to the authors of the report, only the specific financial, political or administrative-legal boundaries for the institution and extensive spread of this kind of cooperation.

The authors of the report mention in passing that the transmission of industrial technology has sometimes had the opposite effect on the economies of the developing countries and that the actions of transnational corporations "have not always benefited the developing countries." The authors call for measures to improve the conditions of commercial operations with the developing countries, proceeding from the assumption that more just conditions would aid in strengthening ties with these countries--that is, the authors essentially admit the injustice of current relations and suggest that the transnational corporations conduct a more flexible policy, as this will guarantee them a better position.

The report is openly being used to advertise the private capitalist system of science and technology in the United States and praise American aid to the developing countries. For example, it is known that the United States has given the developing countries more than 100 billion dollars in the form of government aid and has trained more than 2 million specialists in the last 30 years. The report says nothing, however, about the reciprocal flow of profits and the "brain drain" in these countries.

In the chapters dealing with the use of natural resources in the process of industrial and agricultural production and with various aspects of the interrelationship between society and nature, the authors focus their attention on the scientific and technical capabilities of the United

States, which have provided for the considerable intensification of agricultural production, research, the use of natural resources, the development of transportation and communications and urban construction. As for the negative consequences of scientific and technical progress, which came to a head and took on global dimensions precisely as a result of the utilitarian activities of American and international corporations, they are described in the report as the "ills of civilization," totally unconnected with socioeconomic and political processes in the United States and the capitalist world as a whole.

A great deal of effort has been made to convey the impression that, as soon as the developing countries gain access to American technology and methods of agricultural production, weather forecasting and the technical potential of space probes, communication systems and transportation devices, all of their difficult problems will be solved, and the nations themselves will enter an era of prosperity, satisfying the majority of public material and spiritual demands.

No one is likely to deny that one of the main problems of the present day is the economic and technological backwardness of the developing countries. It is with good reason that this is categorized as a global problem. But something else is also clear: Mere financial and technical assistance are obviously not enough. After all, the rates of economic development and scientific and technical progress in the young states will depend on trends in major socioeconomic processes and on progressive reforms in the state and social structure; only under these conditions, history teaches us, can scientific and technical achievements be used to the maximum in the interests of all workers.

The conference took place in a complex political atmosphere. Particularly heated debates between the Western and developing countries arose over such basic aspects of the program of action as the transmission of technology to the young countries, the limitation of the activities of transnational corporations and the assessment of factors impeding equal participation by the developing countries in international cooperation and the development of their own scientific and technical potential. Representatives from the developing countries remarked that the West's obvious desire to retain its monopoly on scientific and technical know-how in relations with the developing countries is aimed at preserving the gap between the West and the developing countries in the field of science and technology.

We would like to underscore once again the tremendous amount of attention the overwhelming majority of participants at the Vienna conference gave to the global problems of the present day, and their admission that solutions will only be found through broad-scale international cooperation. As the report of the Soviet delegation stressed, "either the world will begin to renounce the use of force and work toward disarmament and detente or the headlong race for arms will endanger public safety and make all of

the plans for international economic, scientific and technical cooperation unrealistic."

The many years of the UN system's functioning have shown that its mechanism of scientific and technical cooperation has considerable potential in this field. The main objective at present consists in perfecting and strengthening this mechanism, enhancing its operational efficiency and searching for new forms of international cooperation to ensure the resolution of the principal global problems facing mankind.

8588

CSO: 1803

THE 'NUCLEAR EXPORTS' ACT AND ITS EFFECTS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 62-67

[Article by V. F. Davydov]

[Text] In March 1978, a solemn ceremony was held in the Oval Office of the White House--the signing of a law on stronger control over the export of nuclear technology and materials. In connection with this, in a speech on 10 March 1978, J. Carter expressed the hope that the nations of the world would "have to adapt their own policy to American policy" and that the "most urgent problem encountered by mankind"--the problem of nuclear nonproliferation--might be satisfactorily solved. In less than 2 years, however, it became clear that U.S. policy, as defined in the new law, was actually promoting the very course of events it was supposed to stop. Harvard University Professor J. Nye, the President's chief adviser on nonproliferation, had to officially admit before his resignation that the law on stronger control over exports of nuclear technology and materials, in the form in which it was passed, was quite probably a "mistake."

In order to understand the reasons for this course of events, it would be wise to determine the role the law was supposed to play in U.S. policy on nonproliferation and to describe the reactions of nations in the capitalist world to its basic provisions.

Washington's vigorous attempts to prevent the further proliferation of dangerous nuclear technology and materials in the world began during the Ford Administration's last months in office. They focused on the U.S. desire to prevent the establishment of the so-called "plutonium economy" in the non-nuclear countries, in which case plants for the reproduction of spent fuel and breeder reactors operating on plutonium would be widespread. On 7 April 1977, the Carter Administration set forth a far-reaching program based on the opinions expressed by a group of scientists from the Massachusetts Institute of Technology in the report "Nuclear Energy: Alternatives and Prospects." In general, the program stipulated that the use of atomic power should be limited to presently operating reactors, that breeders should not be produced and that plutonium should not be regenerated from spent fuel. Otherwise, the danger of the military use of fissionable materials would increase.

The program was based on the belief that it would be possible to obtain international consent to these provisions. First of all, by canceling the commercial regeneration of spent fuel for an indefinite period of time and by stopping the production of breeders, the United States hoped to set a "good example" for other countries; secondly, on the diplomatic level, Washington was striving to convince them to emulate this "good example"; thirdly, efforts were made to achieve mutual understanding on these matters on the international level: In 1977 a representative conference was convened for the international assessment of the nuclear fuel cycle (more than 50 states, including socialist countries, participated). The conference is supposed to conclude its work in the beginning of 1980. The beginning of this investigation of the nuclear fuel cycle was accompanied by an unofficial agreement by participants that no one would, during the course of the conference take any unilateral steps which might endanger existing nuclear programs or existing international agreements regarding the peaceful use of nuclear power. Moreover, in a speech on 7 April 1977, the U.S. President particularly stressed the fact that "the United States is not trying to impose its will on such nations as Japan, France, England and the FRG, which already have operating plants for the regeneration of spent fuel."

However, while the administration was trying to dispel the suspicions of other countries in regard to the sincerity of U.S. intentions, the 3-year congressional hearings on a new bill pertaining to nuclear energy, which envisaged an absolutely new emphasis in the approach to the resolution of these problems, were coming to an end. The congressmen were disturbed not so much by the refusal of other countries to take U.S. advice regarding the future development of nuclear power engineering as by their use of shipments of American concentrated uranium for purposes not approved by the United States (the nations of the capitalist world import more than 70 percent of the uranium they use from the United States). As a result, one of the key provisions of the law was a seemingly quite simple and reasonable demand: If other countries wanted the United States to continue supplying them with nuclear fuel for power stations, they would have to agree with American views on the further development of nuclear power engineering. Otherwise, the importing nations might be "punished" by having these supplies cut off. Without waiting for the conclusions of the international conference or paying any attention to the majority of countries party to the Nuclear Non-Proliferation Treaty, the United States unilaterally attempted to establish, in this new law, its own standards of behavior in the approach of other countries to problems connected with nuclear power. The law called for the President to reassess U.S. export policy and all existing bilateral agreements on cooperation in the field of nuclear energy to ensure their complete correspondence to this basic U.S. requirement.

What are the main provisions of the new law? It should be noted first of all that it establishes criteria which must be observed in American bilateral agreements with other nations on cooperation in the field of nuclear power and in licenses issued by the Nuclear Exports Regulatory Commission, in order to minimize the risk of nuclear proliferation.

From now on, all agreements concluded by the United States will have to meet all of these criteria. Existing agreements, the number of which reached 30 in 1978, will have to be brought in line with the provisions of the new law.

The implementation of export license requirements has been broken down into two stages--some criteria must be observed immediately, while the rest will be implemented over a period of 2 years. The requirements of the first stage are of fundamental significance in reducing the danger of the use of nuclear power for non-peaceful purposes, such as a ban on the use of exported materials and technology for the production of explosive devices; the establishment of international control over all exports; the provision of adequate safety measures for exported materials; the application of these requirements to all materials and technology produced in the future with the use of the exported goods.

The second stage has been calculated for a specific period of time, with consideration for the fact that the implementation of U.S. requirements could necessitate complex and difficult negotiations with the importing countries. It envisages the institution of international control over all facilities for the peaceful use of nuclear power in non-nuclear countries importing American materials; a ban on the regeneration of spent fuel without the preliminary consent of the United States; a ban on the transfer of imported technology and materials to third parties without U.S. consent.

Agreements on cooperation in this field stipulate these requirements plus the following: the return of all imported technology and materials in the event of the violation, by any country, of agreements on international control or commitments regarding nuclear nonproliferation; a ban on the accumulation of plutonium derived from U.S.-supplied fuel for nuclear reactors in national facilities without the consent of the United States; a ban on the further enrichment of imported uranium without U.S. consent.

The criteria envisaged in the first stage are not new, since they are already being observed in existing agreements.

The second-stage criteria, however, are a totally different matter. The requirement concerning comprehensive control over peaceful atomic facilities as a preliminary condition for exports applies mainly to seven nations importing American materials, whose nuclear activity is not controlled by the IAEA [International Atomic Energy Agency]: Argentina, Brazil, Egypt, Israel, India, Spain and South Africa. Agreements on cooperation with these countries must be revised. It is true that the President can postpone this revision each year if the postponement is not opposed by a majority in both houses of Congress.

The required bans on the regeneration of spent fuel and the transfer of imported technology and materials to third parties without U.S. consent

presage complications in relations with importing countries, primarily the states of Western Europe and Japan. The consistent application of these provisions of the law will actually give the United States the right to veto the further development of facilities for the regeneration of spent fuel in countries belonging to the Euratom Association, since most nuclear fuel is of American origin. Therefore, the situation in nuclear power engineering is even more unfavorable for Western Europe than for other importers, which do not have this kind of industrial enterprise as yet. Theoretically, the Euratom countries could certainly get around the restrictions imposed by this law by simply ceasing to purchase concentrated uranium from the United States and by entering into endless negotiations to revise cooperation agreements. But this could have a variety of negative effects on their supply of fuel for their nuclear power stations, considering the limited possibilities of Western Europe in this sphere. If we consider the fact that the application of export license requirements can only be postponed for 2 years, it becomes obvious that neither the United States nor the Western European countries will be able to escape the clarification of their relations in the nuclear sphere even if mutual attempts should be made to reach some kind of compromise. The 1978 law has put them in this position.

An analysis of the text of the law clearly shows that it has several positive features from the standpoint of stronger regulations regarding non-proliferation (for example, the requirement concerning comprehensive control by IAEA). On the other hand, the excessive U.S. desire to unilaterally set limits on the development of nuclear power engineering turns the law into an instrument for the exertion of U.S. pressure on sovereign states.

It is not surprising that the new law evoked a sharply negative reaction in the majority of capitalist countries, since they obviously do not agree with this solution to the atomic energy problem, which is being forced on them by Washington.

Indignation with the U.S. modification of some of the fundamentals of policy in the area of nuclear power engineering, envisaged in the Treaty on Nuclear Non-Proliferation (1968), seized the industrially developed nations as well as the developing states. The latter interpreted this step as the continuation of economic discrimination. "Just as the mastery of the Bible was accompanied by the sword in the good old days of colonialism, the assertion of American views in the matter of nonproliferation appears to be the forerunner of nuclear colonialism," an Indian researcher sarcastically remarked. Most of the developing countries feel that the fear of nuclear proliferation is being used by the United States to deprive these nations of the benefits of the all-round use of nuclear power. The new U.S. export policy is being described as something undermining the entire concept of cooperation between North and South, envisaging the broadest possible exchange of progressive technology.

The Western European countries and Japan see U.S. actions as an attempt to neutralize the reinforcement of the positions of its main rivals in the world markets for nuclear technology, particularly in the industrial mastery of the process of regeneration and the development of breeders. In spite of the new law, France, England, the FRG and Japan have not concealed their intention to continue developing a "plutonium economy," which, in their opinion, is indispensable as a means of satisfying energy needs at a time of acute fuel shortage.

According to preliminary plans for the industrial mastery of the regeneration process, England hoped to acquire around 2,000 tons of spent fuel from Japan and approximately the same amount from the Western European nations throughout the 1980's, and France hoped to acquire around 6,000 tons from Japan, the FRG, Sweden, Switzerland, Belgium, the Netherlands and Australia. As a result of regeneration, around 50 tons of plutonium will be derived, and the profit from this will exceed 3 billion dollars. The FRG and Japan have not abandoned their plans to become involved in this business by commencing the establishment of similar facilities. On the whole, the Western European countries and Japan, according to the press, simply ignored the law at first.

Washington was immediately faced by the dilemma of deciding which position the administration should take in regard to the industrially developed countries--whether it should supply them with concentrated uranium which would soon be regenerated, and thereby set precedents for the developing countries, or adhere firmly to the principles set forth in the new law. In their discussions of the fate and consequences of the U.S. initiatives, American writers stress precisely this impasse. University of Pittsburgh Professor M. Brenner warns: "The new strategy in the nonproliferation sphere leads to an inescapable dilemma: On the one hand, it is not likely to be successful without the support of allies, and on the other, excessive pressure on the allies could result in its total failure."

Pronounced opposition to the White House strategy was also apparent within the United States. During the first year the current administration was in office, the Westinghouse and General Electric nuclear giants were already suffering considerable losses as a result of heightened competition for orders for reactors from French and West German monopolies. According to the data of IAEA, 12 energy reactors were ordered in the entire world in 1977 at a price of approximately 1 billion dollars each. The United States did not receive a single foreign order and its share of the world market was equivalent to zero. It was not until 1978 that American companies received two large orders from South Korea.

Washington's strategy regarding the nonproliferation of dangerous technology was constructed on the premise that the nations utilizing nuclear power for peaceful purposes would be willing to accept increased dependence on the United States in the area of shipments of nuclear reactors and the necessary fuel. Considering the constant attempts of most of the countries

to become politically independent of the United States, it is not likely that this kind of economic dependence will be acceptable to them over the long range. It is most likely that they will find ways of satisfying their needs for nuclear technology and materials without depending on the United States. Moreover, Washington has not given any consideration to the fact that the energy situation in the rest of the world sometimes differs sharply from conditions in the United States, which can allow itself to rely mainly on traditional sources of energy. As nuclear technology expert A. Wood correctly pointed out, "for other countries, which regard the breeder as the only hope of securing their own sources of energy, the American arguments are simply irrelevant. For them, the regeneration of fuel is the only possible way of acquiring plutonium for the breeders."

The law was pointedly criticized in FOREIGN AFFAIRS, the organ of the influential American Council on Foreign Relations. Throughout 1979 it regularly contained articles by prominent experts on international affairs, such as S. Hoffman, M. Bundy, T. Neff and H. Jacoby, who advised the administration to renounce the "punitive" points of the law before it was too late. For example, serious concern is expressed by M. Bundy, former adviser to Presidents Kennedy and Johnson who believes that if the "United States continues to insist that it is right, a new coalition could take shape, uniting suppliers and consumers of nuclear technology and materials with more flexible standards and different opinions regarding dangers and benefits." In other words, the U.S. policy could have results that would be the direct opposite of those anticipated--the further proliferation of particularly dangerous nuclear technology and diminished control over it by IAEA.

This threat and the obvious opposition of most countries forced the administration to agree to certain compromises and a more flexible policy. In 1978 and 1979, Washington had to consent to the transfer of spent fuel from Japan to Western European for regeneration and to the start-up of the first section of a regeneration plant in Tokai Mura (Japan). But this agreement on a "modus vivendi" with the United States' chief allies invariably resulted in the further adjustment of policy toward other countries. Otherwise, discrimination against the latter would have been absolutely apparent.

Despite the slight relaxation of U.S. demands, there is no doubt that, in general, all of this can only postpone "head-on confrontations" until such time as the transition period envisaged in the new law comes to a close.

Why is it that one of the main U.S. initiatives in the area of nuclear non-proliferation--the administration's program of 7 April 1977 and the Nuclear Exports Act--met with such strong opposition in the world? Most experts believe that one of the administration's fundamental errors was the fact that the United States was trying to act on its own, without taking the interests of other countries into account, and that it defended the accuracy of its ideas without considering the right of other countries to have different views and opinions.

The coming "tests" of the 1978 law prove that satisfactory solutions to urgent problems in international relations today cannot be found outside the framework of broad-scale international cooperation, as the United States assumed. The unilateral U.S. initiatives, regardless of the noble intentions that might have dictated them, are not likely to be successful if they do not take the vital interests of other nations into account.

The Soviet Union has always insisted that international exchange in the area of nuclear technology and materials must not become a channel for nuclear proliferation, and that comprehensive IAEA control over nuclear facilities in the non-nuclear countries is essential. Steps taken in this field, however, must not threaten the legitimate interests of nations in the area of the peaceful use of the atom--that is, interests unrelated to the desire to acquire nuclear weapons.

8588
CSO: 1803

BUSINESS AND SCIENCE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 67-69

[Article by I. N. Lesin]

[Text] Last year was not an ordinary one for the development of science and technology in the United States. For the first time since 1972, the President felt the need to address Congress with a message on this matter.¹ This White House move evoked widespread reaction in the Congress and in industrial circles. The reaction of the latter was truly stormy. There is a reason for this. American firms are now encountering increasingly fierce competition on the part of the Western European countries and Japan in world markets even in connection with production areas requiring high scientific input, which are responsible for the most profitable and dynamic portion of American exports. This has naturally faced corporations with the need to consider the level of scientific research, not only in their own enterprises, but also on the nationwide scale. This problem has been made all the more acute by the fact that, according to available data, research findings are being put to practical use less often in the United States and the total number of innovations in industry has decreased.

Expressing the general mounting concern over the state of affairs in this field, Gould, the well-known electronics firm, addressed the U.S. business community through FORTUNE magazine, declaring that the high number of Nobel prize winners among American scientists only concealed the mounting "technological crisis" and the reduction of U.S. scientific and technical superiority. This was followed by a statement which has been encountered frequently in American literature in recent years: All of the innovations which had "turned American heads," such as microprocessors, electronic computers, the video tape recorder and videophone, supersonic aviation,

1. For a detailed discussion of the report to Congress on science and technology in 1978 and of the President's Message to Congress in 1979, see the articles by S. K. Geyvandov and G. S. Khozin in Issue No 11 for 1979, pp 60-64.

complex surgical equipment and many others, resulted from the implementation of scientific ideas that were 10 or 15 years old.

Big business in the United States is obviously disturbed: Will it still be able to compete in the near future?

An analytical document of the American Chemical Society, pertaining to the painfully urgent matter of innovations and the volume of private capital investments in research and development, notes that the United States was the recognized world leader in the technological field for half a century, but now this leadership is becoming increasingly hypothetical and, moreover, is constantly diminishing. This is attested to by, for example, the following indicators: the pitiful state of the balances of trade and payments; the establishment of their own production by foreign firms with the use of American patents; the reduction of commerce in new products; private capital's preference for research calculated to produce immediate returns.

Moreover, what is arousing particular misgivings in the United States is the almost total cessation of the growth of labor productivity, which is also directly connected with, and a result of, the reduction of capital investments in research and development. According to American economists, these played a decisive role in determining national economic growth and labor productivity levels in the last 70 years.

At first glance, industry's capital investments in research and development still appear quite sizeable. In 1977 industrial firms spent 17.5 billion dollars of their own funds for this purpose. But the lion's share of this sum (85 percent) was spent in only six industries: chemicals and chemical products (including drugs), electrical equipment, communications, machine and instrument building (including computers), the automotive industry and the aerospace industry.

This reflects the high concentration of production in these branches. Just 50 of the largest concerns accounted for three-fourths of all expenditures on research and development in U.S. industry in 1976.

As for the tens of thousands of other relatively large companies, as well as medium-sized and small firms, they are purely and simply incapable of spending enough on research and development, particularly since they are much more vulnerable than the giant corporations to the consequences of economic instability in the nation and "galloping inflation." For this reason, most of them are generally afraid to take big risks with the reserves at their disposal and limit themselves to the improvement of existing products rather than the development of new ones.

The clear tendency toward the reduction of allocations for the most basic requirement--fundamental research--is particularly alarming the heads of big business and leading economists. According to the data of the National Science Foundation, industry's proportional expenditures on this kind of

research have fallen to less than half of their previous level: from 34.7 percent in 1953 to 15.1 percent in 1975. As for absolute expenditures--260 million dollars in 1953 and 529 million in 1975--any real increase here was canceled out by inflation.

Now that the United States is encountering increasing pressure from its competitors, business has sounded the alarm. For example, in the above-mentioned document of the American Chemical Society, the dramatic increase in allocations for fundamental research is already described as "imperative." In order to guard against the "excessive risk" connected with capital investments in this kind of research--who knows when it might produce commercial results?--business is demanding that the government assume a "more active role." Above all, this role should consist in the following: to create an atmosphere of "maximum advantage" in industry for private investments in research and development--that is, to institute a system of benefits and incentives for the development of research on the company level--and to provide direct government financing for research when the expense of this kind of study might not be justified.

Pointing to the FRG, Japan and Canada as examples, American business is also demanding the total exemption of expenditures on research and development from taxation, the rendering of assistance to corporations in the form of nonrefundable allocations for the acquisition of scientific equipment and the exemption of all "technology export" income from taxation. In this way, business is pressuring the government to search for solutions in the sphere of research and development largely at the expense of the taxpayer, since the main consideration for the monopolies has always been the profit on invested capital.

As yet, it is difficult to say how far the government will go to satisfy these demands. But something is already being done. A law on federal assistance and cooperation was signed in February 1978; its purpose is to establish a working relationship between regulatory agencies and private business in regard to all questions, including the development of science and technology.

Moreover, what is particularly important is that the draft U.S. budget for 1980 envisages an increase of 9 percent over the 1979 figure in allocations for fundamental research; real expenditures, however, will increase 11.9 percent. But the total sum of government appropriations for research and development will only increase 4.2 percent, which will not even compensate for the inflationary rise in prices. Besides this, the lion's share of these appropriations will once again be used for research and development in the military sphere, and this will naturally continue to complicate the search for solutions to the problems that have become so pressing in American science and industry.

'AS LONG AS WE PLAY WE LIVE...'

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 69-71

[Article by V. A. Voyna]

[Not translated by JPRS]

CSO: 1803

THE AMERICAN SOUTH

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 72-82

[Article by N. T. Kaburov]

[Not translated by JPRS]

CSO: 1803

THE POWERS THAT BE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 83-92

[First installment of digest by T. G. Il'in of chapters from the book "The Powers That Be" by David Halberstam, Alfred A. Knopf, 1979]

[Text] The name of journalist and reporter David Halberstam is quite familiar to the American reader. After graduating from Harvard University in the mid-1950's, he began his career as a reporter on THE TENNESSEAN, a small Nashville newspaper, and was later the special correspondent of the NEW YORK TIMES in the Congo, Vietnam and Poland. In 1963 he was awarded the Pulitzer Prize.

Halberstam's latest book, "The Powers That Be," published by Alfred A. Knopf in 1979, deals with the owners of the mass media empires in the United States, people on whom the careers of governors, senators and presidents depended to a tremendous extent. These were Henry Luce, the late owner of Time, Inc., the Chandler dynasty, the owners of the LOS ANGELES TIMES, William Paley and his radio and TV company, the Columbia Broadcasting System, and, finally, the Graham pair (WASHINGTON POST).

We are beginning the publication of a digest of chapters from this book, written by T. G. Il'in. These chapters deal with the history of the LOS ANGELES TIMES.

[Digest not translated by JPRS]

8588
CSO: 1803

INDUSTRIAL TRACTOR MANUFACTURE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 93-101

[Article by K. M. Baranov]

[Not translated by JPRS]

CSO: 1803

GOVERNMENT REGULATION OF QUALITY STANDARDS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 102-110

[Article by L. A. Konareva]

[Text] Under the conditions of the capitalist method of production, the process of setting the necessary and adequate product quality standards is among the extremely complex processes that are difficult to control on the scale of the entire society. In the absence of a unified set of statewide standards, the level of product quality is set by producers--private capitalist enterprises--with a view to their own interests and in the hope of guaranteeing sales for the purpose of maximum profits in an atmosphere of fierce competition.

When product quality standards are being chosen, the top administrators of a firm evaluate a set of external factors, representing goal-oriented guidelines that determine what the consumer or client needs, or restrictions (laws, regulations and compulsory standards), as well as a set of internal factors (personal production potential, the presence of a raw material base, the qualifications of personnel and so forth), determining the possibility of attaining the desired goal. In the era of state-monopolistic capitalism, factors representing compulsory external requirements are acquiring more importance. This is due to the increased centralization of economic regulation, by virtue of which the government is beginning to influence the entire functioning of private capitalist business more, including the process of product quality control.

Forms of government influence are many and varied. For example, it influences the establishment of quality standards as a consumer, as the contracting party ordering scientific studies, military equipment or products for general industrial purposes; it also influences these standards as a body determining the spheres of federal budget application. The means and methods of government influence are diverse, but we will limit ourselves to an examination of those which are implemented with the aid of government regulatory agencies on the basis of federal laws. Although some attempts at this kind of regulation were made as early as the beginning of

the century,¹ it is not until now that government activity in the legal regulation of product quality has taken on impressive scales as a result of the heightened instability of the overall economic situation in the capitalist countries and the related appearance of new socioeconomic problems.

The present stage in the development of the U.S. economy has been marked by a constant decline in labor productivity growth rates, a clearly defined energy crisis and the constant escalation of inflation--all of these factors have some relationship to the problem of quality.

In the last decade, commodity prices in the United States almost doubled, which does not in any sense signify that corresponding improvements have been made in their quality. Moreover, inflation simplifies the escalation of prices with no change in quality, and sometimes even when quality has deteriorated. Iowa State University Professor Peter Ries conducted a study in 1977, in which he examined 10,162 brands (or varieties) of 685 types of consumer goods to determine the relationship of commodity price to quality. The results of his study showed that the price of 20 percent of the commodities was inversely proportional to quality--that is, lower-quality commodities were being sold at higher prices. This relationship was most apparent in goods of short-term use, such as cosmetics, perfumes, grooming aids and some types of food. The inverse relationship was discovered in 35 percent of these commodity groups. Ries drew the following conclusions from his study: "Consumers often think that the more expensive product must be better, that it contains better ingredients, is subjected to more thorough technological processing and requires higher individual skill from the manufacturer. In my opinion, however, the only thing that is often higher in more expensive goods is the profit margin. The use of prices as quality indicators is an extremely inefficient consumer strategy, particularly in the case of goods for short-term use."² Any additional comment, as they say, would be superfluous here.

Inflationary processes and the absence of a relationship between commodity prices and quality now constitute one of the reasons for the unprecedented outburst of consumerism--the movement to defend the consumer interest and to combat various manipulations by private business with respect to product quality.

The present stage in the development of U.S. industrial production is marked by product differentiation, which means that the market is saturated with commodities of identical functional value but varying levels of quality. In addition, differentiation frequently leads to the unjustified modification of purely external, cosmetic features of the product, which do not affect basic quality indicators; this makes it difficult for the individual consumer to discern actual differences in the quality of similar items. When industrial corporations map out a sales strategy, they strive to attract consumers with the aid of eye-catching shapes and packages and they make extensive use of advertising, which often falsifies the actual quality of goods.

Scientific and technical progress has given birth to huge quantities of new items which did not exist two decades ago. For example, the development of chemistry at a time of natural resource depletion stimulated the replacement of natural material with synthetics, although their side effects and negative influence on human health have not been investigated sufficiently; nonetheless, numerous examples of this influence already exist. One sign of scientific and technical progress is the increasing complexity of many commodities, including electrical appliances for the home. On the one hand, the use of these products represents a qualitatively new step in the satisfaction of human needs, but, on the other, the more complex an item, the greater the probability that it will break down if its components have not been manufactured properly. The related increase in operational expenses is arousing a negative reaction from consumers.

According to prominent quality control expert J. Juran, public dissatisfaction with "false advertising, fraudulent guarantees, low-quality goods and poor service" has been mounting in the United States in the last few years.³

Consumer protests against the manipulations of capitalist firms in regard to product quality represent only part of the general problem of the "quality of life." Without going into an investigation of the essence and ideological purpose of this comprehensive term, we will simply note that the quality of consumer goods and of products for industrial use directly influences working and living conditions and human health, and there is no question that these are part of the "quality of life." Besides this, the uncontrolled activities of monopolies have deteriorated the quality of the environment. The level of water and air pollution with industrial waste has climbed to threatening heights.

The problem of personal safety at home on the job and in means of transport has assumed nationwide proportions, and this is attested to by numerous statistical data.

More people died on the job between 1969 and 1973 in the United States than were killed in the war against Vietnam. Each year, 2.2 million people become disabled as a result of work-related accidents. The frequency of industrial accidents rose by 56.4 percent between 1961 and 1971. According to the calculations of the National Safety Council, annual losses connected with the payment of compensation for crippling accidents, the investigation of their causes and the treatment of these accidents were 3.9 billion dollars.⁴

In the beginning of the 1960's, automobile accidents took the lives of 5.5 people for each 100 million miles of travel.⁵ Despite the fact that the death rate decreased by 35 percent between 1966 and 1977, 47,000 nonetheless died in traffic accidents in 1977.⁶

According to data for 1970, from 25 to 30 million people in the United States have annually suffered accidents during the operation and use of consumer goods. Of these, 110,000 suffered serious damage with irreversible consequences and 30,000 died. Total losses connected with this amounted to 5.5 billion dollars annually.⁷

Naturally, it would be difficult to use these general statistics as a basis for determining the particular instances of accidents and deaths caused directly by low product quality or the operation of improperly functioning equipment. Many other factors are also at work here. The very scales of these phenomena, however, are eloquent testimony to the problem that has arisen and must be solved. Under these conditions, the government has been forced by overt public pressure to take on some of the responsibility for solving the nationwide problems of insuring safety, improving the "quality of life" and protecting the consumer.

Since the mid-1960's the U.S. Congress has passed a number of laws aimed at the protection of consumer interests; there are now 150 of these in all.⁸

In accordance with these laws, federal regulatory agencies were established at the end of the 1960's and the beginning of the 1970's. These include the Consumer Products Safety Commission (CPSC); the National Highway Traffic Safety Administration (NHTSA); the Occupational Safety and Health Administration (OSHA); the National Institute of Health Protection and Labor Safety of the Department of Health, Education, and Welfare; the Labor Safety and Health Review Commission--an independent agency in the Executive Office of the President; the Environmental Protection Agency (EPA). The abovementioned federal Food and Drug Administration (FDA) should be added to this list.

All of these agencies oversee a complex of programs aimed at ensuring product safety and consumer health. Besides this, several programs with a regulatory effect on the quality of products manufactured by firms are being carried out within the framework of the departments of agriculture, commerce, transportation, energy, and health, education, and welfare and the Federal Trade Commission.

The data below indicate the scales of the activity of some of the regulatory agencies listed⁹ [see table on following page].

The very scales of the regulatory agencies and the number of undertakings they are engaged in attest to the indisputable reinforcement of government regulation of national product quality. According to some estimates, more than 1,000 consumer protection programs were carried out in 1974 by just four government agencies.¹⁰

The reinforcement of government influence on product quality with the aid of legal measures is also attested to by the stricter judicial proceedings

against firms manufacturing substandard goods. According to legislation now in effect in 38 states, the individual or collective consumer has the right to sue a manufacturing firm if the operation or consumption of its products causes physical or material damage.

The consumer can sue for damages at any time within 10 years after the initial purchase of the item. The number of suits has risen each year and reached 1 million in 1975. Each year the courts decide from 60,000 to 70,000 cases in favor of the plaintiff. The average amount of damages collected rose from 434,000 dollars in 1971 to 3.5 million in 1976. According to the estimates of the A. T. Kearney consultative firm, fines amounted to 50 billion dollars in 1975 alone.¹¹

Agency	Size of staff	Annual budget, millions of dollars
CPSC	900	30
OSHA	2,700	130
FDA	7,500	276
EPA	10,200	1,000

The law imposing stricter liability for substandard products has forced firms to pay special attention to product safety, which is becoming one of the major indicators of quality, and to take a number of measures to guarantee this safety.

Functions and Powers of Regulatory Agencies

In terms of volume and nature of influence on product quality, the regulatory agencies listed above can be divided into two groups: agencies concerned mainly with product quality (these include the FDA, the CPSC and, to a considerable extent, the NHTSA), and agencies conducting a broader set of measures to regulate business activity, some of which directly influence the quality of products manufactured by firms. The latter include the EPA and OSHA.

What forms does the regulatory influence of government agencies on product quality take? It is known that the quality of the finished item is the function of two variables: the quality of the design and the quality of manufacturing. The compliance with any requirement specified by law and taking the form of a compulsory standard envisages, above all, changes in the quality of the design to give the item a new feature or new quality indicator it has not previously possessed.

This is a natural process in the setting of new quality standards, which always takes place when a new item is being designed or an existing item is being modernized for so-called voluntary purposes--that is, motivated solely by the desire of the firm to satisfy changing market demands.

Government control introduces a regulatory principle into this process. Planned operational safety, specified operational noise levels, the absence of toxic chemicals, standard exhaust outlets, and energy conservation devices--all of these are becoming regulated indicators. The expansion of the field of regulated indicators gives rise to additional requirements regarding criteria for their assessment and methods for their control, testing, analysis and technological maintenance. This also necessitates a more rigid system of control over the achievement of regulated indicators during the manufacturing process.

Means of government influence on product quality depend on the functions and powers of the regulatory agencies listed above. They are authorized to work out and approve compulsory standards aimed at guaranteed safety, environmental purity, energy conservation and so forth; to enforce these standards by means of judicial measures and penalties; to prohibit the sale of goods not meeting safety requirements and demand their withdrawal from the sales market; to judge the quality of new products and permit their sale.

These agencies have the right to work through the courts to organize "campaigns" for the recall of items by firms for the purpose of correcting potentially dangerous defects,¹² and to demand that firms and trade organizations immediately (within 24 hours) report the discovery of potentially dangerous defects in products being used.

For example, a list drawn up by the CPSC now contains the names of 472 companies which have sent in 650 reports on defects in their products which could be dangerous to the consumer.¹³

Government regulatory agencies have a network of regional branches, the representatives of which are authorized to visit industrial firms for the purpose of verifying the fulfillment of legal requirements, regulations and standards. These agencies gather information, maintain data banks, operate information services and distribute data on dangerous products and the means of handling them.

By law, these agencies have the right to impose fines on firms and institute legal proceedings against the top administrators of companies for the nonobservance of legal requirements. For example, the maximum fine levied by the CPSC is 500,000 dollars. Besides this, administrators of industrial firms guilty of the deliberate violation of legal requirements can be sentenced to a year in prison. The Federal Trade Commission imposes fines on firms and trade organizations convicted of deliberately defrauding the consumer with the aid of false advertising. These fines amount to 10,000 dollars for each day after the establishment has been ordered to cease these practices.¹⁴

In accordance with these powers, government regulatory agencies conduct measures that have an objectively positive but far from uniform effect on

national product quality. All of these measures and means of influence are directly aimed at the improvement of quality.

Above all, these include compulsory standards. The number of these standards rises from year to year. The NHTSA alone has drawn up and approved 48 federal safety standards.¹⁵ The need to observe standard requirements is forcing industrial firms to perfect their designs and production technology. For example, the Chrysler firm made 66 changes in the design of its 1974 car model, reflecting the requirements of safety standards.¹⁶

By law, government agencies have the right to prohibit the sale of sub-standard products. The FDA annually removes up to 300 products of these categories from the market. A considerable number of bans have applied to cosmetics, since, according to official statistics, 60,000 cases of their harmful effect on the consumer are recorded each year.¹⁷ Some products are removed from the market on the orders of the CPSC. The highest percentage is represented by such items as TV sets, bicycles, gas stoves, engines, lighters, lawn mowers, air conditioners and chemicals in aerosol cans. In all of these cases, the reason behind the danger of their use has either been a design defect or a manufacturing defect that has been overlooked by inspectors.

One important aspect of government regulation is the assessment of the quality of new products and the official authorization of their sale. For example, the FDA has this power with respect to new medicines. Pharmaceutical firms annually submit up to 400 new medicines to the administration along with voluminous documentation to confirm their successful testing. After evaluating the documents and the medicines themselves, the FDA authorizes their sale, and this often requires from 1.5 to 2 years. The firms must submit a list of the medicines they produce and their ingredients, as well as packaging materials, labels and instructions on their use, ingredients and adverse side effects. A law passed in 1975 gave the FDA the same authority with respect to medical devices.

Agencies like the NHTSA, CPSC and FDA are authorized to demand that firms recall all items in which a potentially dangerous defect has been found, for the purpose of correcting it. The number of firms involved in such campaigns rises from year to year. According to the estimates of American experts, all firms in the automotive industry, three-fourths of the firms manufacturing television sets and more than half of the producers of household appliances will be involved each year in campaigns for the recall of defective products in the near future. In all, the total number of products recalled by firms within 1 year exceeds 25 million.¹⁸

The scales of these campaigns can be judged from the following examples. A firm manufacturing TV sets recalled 52,000 because the design of the transformer did not include a safety block. Another firm recalled 65,000 dishwashers because of the potential danger of electric shock due to a faulty door design.¹⁹

Demands regarding the recall of defective products have particularly serious consequences for the activities of automobile corporations. The total number of cars recalled over a period of 10 years (1966-1976) was 52 million.²⁰ In 1977 alone, the number of automobiles recalled reached a record high of 12.9 million, and 6.5 million had been recalled in 1978 by July.²¹ We would be exaggerating, however, if we concluded from this that the automobiles manufactured by U.S. firms are generally of low quality; in the first place, the number of defective vehicles is much lower than the number recalled and, in the second place, accidents are not always caused by defects. In 1973, 251 campaigns were organized for the recall of automobiles by manufacturers. Around 7 million vehicles were recalled at this time, but the number of defective ones did not exceed 1 percent of the total.²²

In view of the fact that these campaigns cost firms a great deal, it is quite understandable that they are doing everything within their power to avoid them. This has given rise to a lengthy and stubborn struggle between government regulatory agencies and private corporations. It took the NHTSA 7 years to complete its investigation of defects in automobiles manufactured by General Motors, as a result of which a design defect was discovered in the carburetor, which had caused 665 fires. By a court decision in 1976, the NHTSA forced General Motors to recall 800,000 cars with this potentially dangerous defect.²³

Government regulatory agencies are doing much to collect and analyze information about defective and dangerous commodities.

For example, the consumer service division of the NHTSA has information about all automobiles subject to recall and about each automobile that has not been repaired as yet. In 1977 a special telephone information service was set up in this division, with a 24-hour toll-free number the consumer could call to report a breakdown or to inquire about the disposition of defective automobiles or parts. The consumer who drives a car or is planning to buy one can also learn whether automobiles of this model have been recalled by the firm for the correction of defects.²⁴

The CPSC has a national system for the electronic processing of data on accidents and illnesses connected with the operation and use of products, with input units located in the first aid divisions of 119 hospitals and clinics. A special commission task force reviews around 1,000 computer reports each day and analyzes the data in these reports: the circumstances and causes of accidents and the individual psychological and physiological characteristics of the victims. This analysis is used as a basis for singling out accidents caused by possible product defects requiring special investigation, and this is also within the expertise of the commission. Up to 300 cases are investigated each month, and special decisions are made on each of these.

Besides this, the commission receives more than 2,500 consumer complaints regarding injuries and accidents each month. Individual consumers and

organizations also send the commission petitions with documented demands for the institution of measures against dangerous commodities. The CPSC received around 300 petitions between 1973 and 1977. The commission must examine the petition and respond to it within 4 months after its receipt.²⁵

On the basis of information selected from the automated data bank of complaints, petitions and special investigations, the commission has published a list of the 46 most hazardous items, arranging them in order of such criteria as the frequency and severity of injuries, their causes, their after-effects on the consumer, the probability of injury and so forth.

In an attempt to avoid the huge losses connected with the possible alienation of the consumer or the order to recall defective products, corporations must make a special effort to draw up various types of preventive programs to eliminate defects and improve the quality of the items they produce. The guarantee of product safety is becoming an element of the quality control system and an object of regulation within the framework of a special program. New organizational subdivisions have been set up in several firms to oversee this activity.

Contradictions and Problems

These measures, carried out within the framework of federal programs, seem to have an objectively positive effect on national product quality, but the spontaneous nature of capitalist economic development limits the effectiveness of the machinery of government regulation.

Above all, this applies to the principal means of regulation--the federal standard. According to E. Rosenberg, an EPA official who has had a great deal of work experience in the area of standardization, "standards could have a ruinous effect on competition, product quality and safety, the cost of production and construction and even on the consumer who utilizes these standards."²⁶ There are reasons for this.

In the first place, in the absence of a government agency responsible for the qualified appraisal of standards, there is the danger that the normative document itself will be of inferior quality. The procedure for the elaboration of standards in the United States is extremely complicated and lengthy and is accompanied by fierce struggle between various groups looking out for their own interests. Government agencies authorized to set compulsory federal standards usually only organize this process. The elaboration itself is performed by one or several groups of experts, representing organizations,²⁷ who have a great deal of experience in drawing up so-called "voluntary standards"--that is, in the nature of recommendations which are not compulsory. Before the standard can be approved, the agency contracts independent testing laboratories to test and evaluate the quality of standards, after which a lengthy struggle begins over the legalization of the standard and its enforcement. This frequently ends in defeat, sometimes due to monopoly opposition.

Objectively, this procedure makes it possible to draw up a quality standard if the expert task force is truly competent, bases its decisions on the data of tests which adequately reflect the essence of the phenomena, and gives equal consideration to the interests of manufacturers and consumers. In reality, however, the task force is often the target of pressure by influential groups defending the interests of the business community. In this case, the matter might end with the compilation of a dubious document, the use of which will lead to "consumer fraud and the sale of dangerous items which have been certified harmless."²⁸

The scandal that broke out in the United States over children's sleepwear is indicative in this respect. Nightgowns and pajamas made of flammable synthetic material caused many severe burns. In accordance with the Inflammable Materials Act, a standard was issued in July 1972, stipulating that material intended for children's sleepwear must be treated with a special chemical compound to reduce the flammability of the fabric. This compound, however, which was then being manufactured in large quantities by chemical companies, had not been subjected to comprehensive tests for the assessment of its effects on the human organism. In 1975 the EPA tested the compound (among others) for toxicity and discovered that it was carcinogenic. The test results were immediately reported to the CPSC, but delays kept the standard from being repealed until April 1977, despite the fact that numerous demands for its repeal had been made by that time, reinforced by data on the carcinogenic properties of the compound, including the results of tests by the National Center for Cancer Research. Moreover, the compound authorized as a substitute for the rejected one is not harmless either. Data on its mutation are already available.

In the second place, the institution of safety standards is an extremely complex matter, since government agencies have to overcome the reluctance of monopolies to increase production overhead costs and the "psychological barriers" set up by consumers. This is another reason why the institution of standards often ends in failure. This was the case with an entire series of NHTSA standards regarding means of protecting drivers and passengers from the shock of impact. Huge amounts were spent in vain to draft technically irreproachable standards, manufacture devices meeting their requirements and install them in automobiles. But the consumers simply did not want to make use of them, and they were repealed.

Naturally, this is not due to the "conservatism" of the consumer, although this does exist, but to the sharp rise in the prices of "improved" goods on the pretext of requirements "imposed from above." Industrialists are using this method quite skillfully and extensively.

Without a unified plan for national economic development and a unified set of standards, the very policy of economic regulation gives rise to contradictory tendencies and conflicts between manufacturers and consumers. This was the subject of heated debates during the course of congressional hearings in August 1977 regarding one of the aspects of CPSC activity. In brief, the matter is essentially the following.

One of the ways of conserving energy under the conditions of the energy crisis involved the provision of incentives to homeowners for the better retention of heat in residential buildings through the use of insulation materials with heightened heat-retention properties. Small firms began to quickly satisfy the demand for these materials. But their limited potential for experimentation, the investigation of the properties of materials and the organization of a quality control system led to a situation in which the materials they manufactured were dangerous to use and a health hazard. Heated debates broke out in Congress, and they have not produced any results to this day. This conflict serves as an example of the lack of efficiency and coordination in the general policy of government regulation.

In spite of the measures taken by the government, many consumers are still encountering goods of unsatisfactory quality. According to the data of a public opinion poll conducted by the Harris Service at the beginning of 1979, 57 percent of the American consumers are deeply disturbed by the poor quality of goods, and when respondents were asked to assess the activities of industrial corporations, 77 percent expressed views that can be summed up in the following words: "They do not care about me at all."²⁹

It must be said that the current administration is also disturbed by the inefficiency of regulatory agencies in this field. Various commissions and groups are constantly being formed to investigate and assess their activity, and congressional hearings are being conducted for the same purpose. The administration has made some attempts to improve organizational and administrative procedures, heighten coordination and enhance the effectiveness of product quality regulation measures. The general purpose and nature of this activity, however, have not changed.

FOOTNOTES

1. In 1906 the U.S. Congress passed laws to control meat products and the purity of food products and medicines and to prohibit the sale of dangerous, fraudulent and inferior goods of these categories. The Bureau of Chemicals, established in accordance with the latter law, became the Federal Food and Drug Administration (FDA) in 1931. This is still a powerful regulatory agency. The law itself was reinforced considerably in 1938, and numerous amendments and supplements to the law have been adopted in recent years.
2. QUALITY PROGRESS, February 1978, p 9.
3. QUALITY, December 1977, p 18.
4. CALIFORNIA MANAGEMENT REVIEW, No 1, 1976, p 21; QUALITY PROGRESS, January 1973, p 34.

5. QUALITY, October 1977, p 26.
6. NATION'S BUSINESS, October 1978, p 64.
7. QUALITY MANAGEMENT AND ENGINEERING, October 1973, p 24.
8. Among these, the following laws deserve special mention: on government inspection of the quality of food products and medicines (1960), on packaging and the accuracy of informational labels (1966), on automobile traffic safety (1966) and highway traffic safety (1973), on the protection of children and the guaranteed safety of toys (1969), on environmental protection (protection against radiation and against harmful products and substances, on clean air and water and on noise control), on public health and labor safety (1971), on the safety of consumer goods (1972), on the packaging of poisonous substances, on control over chemically harmful substances, on flammable materials and on the guaranteed safety of medical devices (1975), and on warranties on consumer durables (1975).
9. "Implementation of the Consumer Safety Act," Hearing Before the Subcommittee for Consumers of the Committee on Commerce, Science and Transportation, U.S. Senate, Wash., 1977, p 7.
10. QUALITY PROGRESS, June 1974, p 29.
11. Ibid., August 1977, p 5; PRODUCTION ENGINEERING, No 9, 1978, pp 54, 81; QUALITY PROGRESS, October 1975, p 7.
12. As a rule, all of the measures involved in the organization of the recall of potentially defective items by a firm (the determination of the group of consumers using the item; the distribution of announcements; the organization of delivery; the dismantling of the item; the correction of the defect if it is discovered and so forth) are called a "recall campaign" in the United States.
13. QUALITY PROGRESS, April 1979, p 14.
14. L. Feldman, "Consumer Protection: Problems and Prospects," N.Y., 1976, pp 67, 75.
15. QUALITY, September 1975, p 27.
16. QUALITY MANAGEMENT AND ENGINEERING, September 1974, pp 20-21.
17. BUSINESS WEEK, 19 August 1972, p 37.
18. QUALITY PROGRESS, April 1975, p 9.
19. "Managing Product Recalls," N.Y., 1974, p 13.

20. QUALITY PROGRESS, March 1977, p 5.
21. NATION'S BUSINESS, October 1978, p 64.
22. QUALITY MANAGEMENT AND ENGINEERING, September 1974, p 31.
23. QUALITY PROGRESS, March 1977, p 5.
24. Ibid., December 1977, p 6.
25. "Implementation of the Consumer Safety Act," U.S. Government Printing Office, Wash., 1977, Serial H 95-48, p 27; Serial N 95-52, pp 393-447.
26. CALIFORNIA MANAGEMENT REVIEW, No 1, 1976, p 80.
27. More than 400 organizations draft standards in the United States. These are mainly scientific and technical societies and associations which are competent in their sphere of activity. Their efforts have led to the elaboration of more than 20,000 industrial standards, but there are also more than 36,000 federal standards, and 30,000 of these were drafted by Defense Department agencies.
28. CALIFORNIA MANAGEMENT REVIEW, No 1, 1976, p 82.
29. QUALITY PROGRESS, April 1979, p 11.

8588
CSO: 1803

BOOK REVIEWS

Forecasting: Methods and Applications

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 111-113

[Review by V. G. Klinov of the book "Forecasting. An Appraisal for Policy Makers and Planners" by W. Ascher, Baltimore, The Johns Hopkins University Press, 1979, XIV + 239 pages]

[Text] This book by an instructor at Johns Hopkins University--an expert in the area of forecasting--discusses the role of forecasting in policy-making in the United States and analyzes the present status and future prospects of economic and social forecasting. The author examines the significance of the theoretical interpretation of economic and social processes and methods of forecasting for the quality of judgments and the distinctive features of forecasts of population reproduction, economic development, energy production and consumption and the evolution of technical progress.

His research is based on an analysis of many works and articles on forecasting and policy-making, published in the United States between 1891 and 1976. The study also rests on an original evaluation of "100 forecasts" compiled and published in the United States since the war (p XIII).

Ascher comments on the intensive development of forecasting, describes the current division of labor in the national forecasting system and discusses qualitative advances in forecasting techniques and in their utilization in policy-making. The author's main conclusion is that the present state of forecasting in the United States does not meet the demands of contemporary policy-making. "The problems being encountered by the United States seem more urgent than they could be," Ascher hypothesizes, "due to the faulty prediction and evaluation of future trends" (p 1).

There is no shortage of forecasts in the United States today. They are regularly drawn up by federal departments, large corporations, academic institutions, commercial publishing houses and private research firms.

The compilation of forecasts has taken on particularly massive scales in large corporations. Huge sums are spent by the corporations so that forecasts of macroeconomic tendencies and general trends in technical development, drawn up in national centers, can be used as a basis for evaluating prospects in the sale of the particular goods and services concerning the given corporations. According to estimates cited in the book, 500-600 of the largest U.S. corporations spent around 500,000 dollars each in the mid-1970's annually on the compilation of their own forecasts and approximately another 100,000 dollars on the purchase of forecasts drawn up by national scientific centers (p 21). According to the data of FORTUNE magazine, the income of just the three leading firms specializing in forecasting--Wharton Economic Forecasting Unit (managed by Lawrence Klein), Data Resources (headed by Otto Eckstein) and Chase Econometrics (managed by Michael Evans)--exceeds 10 million dollars annually (p 61).

Forecasts are playing a more important role in policy-making. Forecasts are no longer isolated doses of information and nothing more. They are being systematically utilized more and more in the determination and choice of political objectives and alternative means of their attainment. In other words, forecasting is evolving "directly into a process of decision-making" (p 3). On the corporate level, this takes the form of "corporate planning models," within the framework of which the possible development of corporate activities is described for an average of 8 years into the future (p 22).

Similar tendencies can be observed in federal government agencies responsible for policy-making, but here the evolution of forecasting into planning activity is being impeded by powerful ideological obstacles, since, as the author points out, the anticomunism of the late 1940's and 1950's "equated planning with totalitarianism" (p 26).

The present level of forecasting is too low, and this is also keeping it from playing a more important role in policy-making. "Despite the considerable improvement in forecasting techniques," Ascher writes, "neither the public nor the private sector can boast of an impressive series of successes in the prediction of future problems and events" (p 1).

In the final analysis, the author states, the value of the forecast as information is not as important as its ability to stimulate "good decisions and policy" (p 3), but problems in evaluating the reliability of forecasts are extremely acute. At present, these problems are being solved quite unsatisfactorily, as the author points out, in the United States.

Specialists approach the assessment of the forecast's reliability from the standpoint of "insiders"--that is, persons familiar with the kitchen where the forecasts are cooked up. This means that they consider the very method used to solve the forecasting problem, namely the degree to which basic hypotheses are valid and complete, analysis is logical and methods are suitable for the resolution of the particular problem. The so-called

"validity check" of forecasts, based on a critical analysis of the hypotheses that serve directly or indirectly as a basis for the forecast, is of particular significance (p 63).

Politicians, as the users of the forecast, approach their assessment from the standpoint of "outsiders"--that is, persons unfamiliar with forecasting techniques. They are interested less in the scientific soundness of forecasts than in their relationship to actual data from the past. In other words, they are interested in whether certain institutes tend to overestimate or underestimate forecasted trends, and to what degree.

Purely external characteristics frequently play the deciding role in the choice of a forecast for the policy-making process. These characteristics include the prestige of the organizations or programs financing the forecasting studies, the reputation for objectivity of the organizations responsible for the compilation of forecasts, the suitability of the forecasting statements for use as a basis for political decisions, and so forth. Great significance is also attached to the use of complex mathematical models and modern computer equipment in the forecasting process.

The author attempts a comprehensive analysis of the dependence of forecasting accuracy on a variety of factors. Accuracy is not the only criterion used for judging the value of forecasts, but it is the most convenient one for comparing the most diverse forecasts. The most important conclusion drawn by the author in this connection is that the use of more complex methods (meaning the use of large-scale mathematical models with hundreds of equations), in contrast to the methods of extrapolation, correlation, small-scale models or expert appraisals, does not necessarily heighten the accuracy of forecasts. In reference to the results of forecasting in the United States during the postwar period, the author remarks that the "anticipated advantages of more complex methods simply did not materialize" (p 199). The "fundamental" (as the author terms them) hypotheses on which the forecast is based are of much greater significance for the accuracy of forecasts and for other indicators of forecasting quality. As the author stresses, the hypotheses "representing the author's fundamental beliefs about the conditions in which a certain tendency is developing constitute the chief factor determining the accuracy of the forecast" (p 199).

The most serious errors in forecasting, according to the author, are connected with the phenomenon of hypothesis "lag"--that is, with the use of outdated hypotheses which reflect the peculiarities of development in the past but interfere with the acquisition of a correct perspective into the future.

Among other conclusions of interest, special mention should be made of the author's remarks on the institutional peculiarities of forecasts, the dependence of forecasting accuracy on the duration of the forecasted period, on the quality of initial information and on the ability to analyze this information, and so forth.

Another conclusion applying to all postwar forecasts is that their accuracy decreases as the length of the forecasted period increases. For example, 15-year forecasts are less accurate than 10-year forecasts, and these in turn are not as reliable as 5-year forecasts. According to the author, this is due to the fact that changes in the economic structure destroy the foundation on which forecasts are built. The longer the forecasted period, the greater the probability of considerable structural change; and the more changes there are in the structure, the more difficult it becomes to predict the future on the basis of past tendencies. This does not in any way imply that long-range forecasting should be abandoned. The diminished accuracy of forecasts is more than compensated for by the value of timely warnings regarding impending changes. It takes industrial corporations many years to develop new equipment to meet the specific requirements of the forecasted future. Research, development and mastery of the production of new equipment take more than 10 years (p 85).

A discerning evaluation of the part played by mathematical modeling in the development of forecasting is not in any sense equivalent to a denial of the promising aspects of this field. The author points out such merits of mathematical modeling as the possibility of tracing the most remote consequences of certain phenomena in various economic fields. Besides this, the very development of modeling aids in the intensive and thorough elaboration of economic theory.

Ascher's book is interesting because it directs attention to forecasting as an important basis for policy-making and planning under present conditions, and because the author has succeeded in specifying a number of pressing problems in the development of forecasting.

Multinationals as Political Tools

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
p 113

[Review by V. Yu. Presnyakov of a Russian translation of the book "American Company: The Tragedy of United Fruit" by T. McCann, Moscow, Progress, 1979, 269 pages]

[Text] This book by T. McCann, one of the former heads of the corporation, belongs to the genre of the "fictional-documentary biographies" of the major companies in the capitalist world. The author examines the activities of United Fruit--now a large and diversified manufacturer of a variety of food products, with a total sales volume of 2.5 billion dollars and with 50,000 employees in enterprises and plantations in the United States and abroad--through the prism of the personalities and behavior of its administrators, personifying the characteristic features of contemporary American managers of the top echelon. The central theme of the work is a description of the means and methods of extorting maximum profits.

As we know, United Fruit symbolized and personified the most aggressive aspects of American imperialism for many years and was even nicknamed the "banana octopus." For this reason, the author's attempt to truthfully describe the company's shady past, which is generally hushed up in the official American press, gives the work added interest.

McCann admits that companies like United Fruit have become the political tools of American ruling circles and conduct "their own" international policy--mainly by confidential means. The author reveals the essence of the popular U.S. theory of "complex revolution"--a perfected system of means and methods of overthrowing governments that displease American imperialism.

Using United Fruit as an example, the reader can trace the development of several new features, characteristic of the monopolistic enterprise, particularly in recent decades, in such areas as the organization of production and sales, interrelations between central and peripheral links, the problem of product renewal, the diversification of production, the manipulation of consumer demand, and many others.

Oil Companies and the Government

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 113-114

[Review by R. I. Zimenkov of the book "SShA: Neftyanyye kontserny i gosudarstva" by Ye. V. Bugrov, Moscow, Nauka, 1978, 264 pages]

[Text] The monograph being reviewed is the first fundamental study in Soviet economic literature to examine the consequences of the energy crisis in the capitalist world, connected with the activities of American oil concerns and government intervention in the energy sphere.

The author examines the scales and forms of monopoly influence on the structural reorganization of U.S. fuel and energy reserves since the end of World War II. According to the author, the consequences of the excessive power wielded by U.S. oil monopolies have taken the form of serious delays in the development of American energy and raw material reserves, more pronounced disparities between the consumption of fuel and energy resources and their national production, and the growing dependence of the nation on imported oil.

The author conclusively proves that the metamorphosis of the largest U.S. oil concerns into energy companies as a result of horizontal integration represents a new stage in the increasing concentration of production and capital on an intersectorial basis and the development of monopolistic processes in new forms throughout the energy and raw material sector of the American economy.

The nonopolistic behavior of the petroleum business is inseparable from the role of government in the energy sphere. Since World War II, the United States has been following an officially undeclared, but apparent course which has essentially become a long-range state-monopolistic program for the robbery of the natural wealth of the oil-producing countries. The interests of the oil companies have been coordinated with American political and strategic interests. The energy crisis in the capitalist world, which had profound effects on all aspects of political and economic life in the United States, testifies to the failure of this course and reveals the profound contradictions of state-monopolistic regulation in this area.

Describing a series of federal plans intended to stimulate the working of national energy resources, the author concludes that state-monopolistic regulation of the U.S. energy sector is no guarantee of reduced American oil imports in the next few years. The United States' dependence on foreign oil, the author stresses, is becoming chronic and is making economic and political problems more acute.

Sports in America

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 114-115

[Review by L. A. Zarokhovich of the book "SShA: Sport i obshchestvo" by Roman Kiselev, Moscow, Fizkul'tura i sport, 1978, 127 pages]

[Text] On the basis of abundant factual material, the author describes many of the unseen means by which politicians and show business moguls exploit sports and discusses the methods of U.S. sports policy within the framework of the international athletic movement and the role of sports in the activities of the notorious "Peace Corps."

For a more thorough understanding of the present level of athletic development, it is necessary to know something about the organizational and procedural peculiarities of the training of new athletes in the nation and the structure of U.S. athletic organizations. The training of new athletes in the United States, in contrast to, for example, the Soviet Union, is concentrated in secondary and higher academic institutions, which train replacements for professional athletes and amateurs representing the United States in major international competitions. The particular attention given to this theme is another one of the book's merits.

Kiselev's book essentially represents the first step in a study of sports in the United States. And it is probably precisely for this reason that it is not devoid of shortcomings. One of them is the absence of any description of the positive elements of American sports. This particularly applies to the mass construction and use of sports facilities and the production of a huge assortment of high-quality sporting and camping goods and special training equipment.

Almost nothing is said in the book about the organization of the science of sports in the United States, which is distinguished by high professional and organizational standards. It is here that monumental works, such as the "Encyclopedia of Sports Science and Medicine," have been published, important discoveries have been made in the field of sports accidents and their treatment and several interesting works have been written about the economic and sociological aspects of athletics. There is no critical analysis of the views of American sociologists (for example, Bronfenbrenner), who regard sports as an ideal model for research into the theory of small groups and social psychology in general.

The national sports--baseball and football--which are extremely popular, are discussed in a somewhat onesided manner. It is hardly apt to dismiss football as a mere surrogate for violence. In general, this game requires exceptional strength of will, speed and power from the players, develops tactical thinking and has much in common with war games (it is precisely for this reason that it is widely used in the U.S. Army). The study of such a unique athletic phenomenon as the American game of football could, in particular, contribute a great deal to a more thorough understanding of the methods used in the preparation of American youth "for life."

More attention, it seems to us, should have been given to army athletics and the methods of physical training in various branches of the armed services, the role of sports in correctional institutions and religious propaganda within the framework of the Young Men's Christian Association.

The author provides virtually no arguments to back up his conclusion that the entire American sports sector is suffering a crisis. If this is true, then how do we explain the fact that, despite the weak performance of the U.S. team in Montreal, American athletes are still the chief potential rivals of the Soviet athletes in the coming Moscow Olympic Games, that federal funds amounting to 17 million dollars have been allocated for the needs of the National Olympic Committee of the United States, that an ultra-modern Olympic training facility has been built in Colorado Springs, that the U.S. team was far ahead of all the others in the Pan-American Games in July 1979, that the United States has agreed to host two sets of Olympic games--winter and summer, that the scales of professional sports are not diminishing, that the audience for baseball and football games is quite large, and that a multitude of sports periodicals and books on sports are published and bought in the United States.

Obviously, all of this should be taken into account for a totally objective assessment of the present state of American sports.

On the whole, the book is interesting and useful. Besides this, it will stimulate new studies of American sports--this major social factor in the life of the largest country of the capitalist world.

THOMAS J. WATSON, JR.--NEW U.S. AMBASSADOR TO THE USSR

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 116-117

[Article by N. S.]

[Text] Thomas J. Watson, Jr. has arrived in Moscow to serve as U.S. ambassador to the Soviet Union. He is replacing M. Toone, who has retired.

Ambassador Thomas John Watson, Jr. was born on 8 January 1914 in Dayton, Ohio. His father was a businessman, the head of a firm. That same year, Thomas Watson, Sr., moved his family to New York, where he took charge of a company manufacturing office equipment. Since 1924 this firm has been called International Business Machines (IBM)--presently the world's largest corporation for the manufacture of electronic calculators and computers, information systems and office equipment. The company has enterprises and branches in the United States and in many other countries.

Thomas Watson was educated in private schools. In 1937 he graduated from prestigious Brown University with a liberal arts degree. After this, he accumulated managerial experience in jobs at IBM enterprises and headquarters.

During World War II, T. Watson served in the U.S. Air Force (from 1940 through 1945); he logged 2,000 hours of flight time and was awarded combat decorations. Watson was among the first American pilots to lay the course for freight shipments from Alaska to the Soviet Union in accordance with the lend-lease program. For 6 months he served in the USSR. Watson retired in 1945 with the rank of lieutenant-colonel and returned to IBM, where he became a company vice president. In 1952 he took his father's place as president of IBM. Between 1961 and 1971 Watson was chairman of the board of company directors. He persuaded many individuals who had held high government offices at one time or another to serve on the IBM board of directors. They included former attorney general in the Johnson Administration, N. Katzenbach, former cabinet members in the Ford Administration C. Hills and W. Coleman and current cabinet members Secretary of State C. Vance and Secretary of Defense H. Brown.

Thomas Watson's brother, A. Watson, was also prominent in business and politics; he was U.S. ambassador to France in 1970-1972.

In 1971 T. Watson left the IBM administration, but he continued to serve as chairman of the company executive committee until recently.

The economic power of IBM, Watson's widespread contacts and his status in the business community and the political sphere have made him one of the most influential figures in U.S. business and political circles. In the 1970's he was a member of the board of directors of several of the largest American financial and industrial corporations: Bankers Trust Company, Pan-American World Airways, Time, Inc., and others. For a long time, Watson headed one of the most influential organizations in the U.S. business community--the Business Council--and was a member of the extremely influential Council on Foreign Relations in New York. He is a trustee of Brown University, the California Institute of Technology, the Rockefeller Foundation, the John F. Kennedy Library, the American Museum of Natural History, etc.

In politics, Thomas Watson leans more toward the Democratic Party. In the presidential elections of 1960 and 1964 he supported Kennedy and Johnson. During the 1972 campaign Watson was a member of the "Democrats for Nixon" organization, but in the 1976 election he again supported the Democratic candidate--that is, J. Carter.

Watson has invariably combined his business activity with membership on various high-level committees. For example, as early as 1955 he headed a committee for the investigation of juvenile delinquency in New York. This committee was formed on the initiative of then state Governor A. Harriman, with whom Watson has had a long and close relationship. In 1960 and 1961 he was a member of the President's Committee on National Priorities. Between 1961 and 1969 he worked on the advisory committee set up under the Kennedy Administration for the investigation of interrelations between unions and employers. In 1978 President Carter appointed Watson chairman of the advisory committee of the Arms Control and Disarmament Agency.

Watson has repeatedly expressed his support for the policy of detente. Between 1975 and 1978 he was a member of the American Committee on East-West Accord. In a recent WASHINGTON POST interview, Watson laid particular stress on the following lesson: It will be impossible to enter into confrontation with one another, as was often the case in the past.... After all, just one incorrect judgment could lead to serious consequences.

Watson's appointment as U.S. ambassador to the USSR was announced on 20 July 1979--that is, soon after the Soviet-U.S. treaty on strategic arms limitation (SALT II) was signed in Vienna. In reference to this appointment, the American press noted that this was the first time in postwar history that the U.S. ambassador to the Soviet Union would not be a career diplomat, but a representative of the top echelon of business and political circles.

When Watson spoke in the Senate Foreign Relations Committee at the time when his candidacy for the ambassadorial office was being debated, he expressed the hope that the ratification of the SALT II treaty by the United States would lead the way "to new heights in Soviet-American relations."

The U.S. President's decision to appoint Watson to this post was unanimously approved by the Senate on 2 August 1979.

When he submitted his credentials, Thomas Watson said: "This is not the first time I have been in the Soviet Union. I have fond memories of the period of wartime cooperation between the United States and the Soviet Union, when I served here as a U.S. Air Force pilot. I will never forget the heroism of the Soviet people, heroism which I saw in various parts of your country. Now that we are faced by the complexities of our current interrelations, we must recall this spirit of wartime cooperation."

8588
CSO: 1803

WASHINGTON'S AFRICAN POLICY AND AFRICAN STUDIES IN THE UNITED STATES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 118-125

[Article by M. L. Vishnevskiy]

[Text] American policy toward the African countries is now developing under the conditions of detente, deeper processes of national liberation and more intense ideological struggle in the international arena. American ruling circles are striving to slow down the effects of the tendency toward "socialization" in the African countries (in the 1970's, Ethiopia, Benin, Angola, Mozambique and a number of other countries took the course of non-capitalist development). The methods and means used for the attainment of this goal are quite varied, ranging from the use of "assistance" programs and a search for political accomplices to the attempted exertion of military and political pressure. Ever since the current administration took power, political methods of exerting influence on events in Africa have been employed particularly extensively. For example, in April 1978, the U.S. President made an official visit to Nigeria and Liberia--the first since any nation in Tropical Africa won political independence.

For several reasons, it is precisely Africa that is becoming one of the main spheres of the U.S. struggle to keep the developing world in the capitalist system. These reasons include, on the one hand, the upsurge of the national liberation movement in the region (the revolution in Ethiopia, the intensification of the popular struggle in Namibia and Zimbabwe and the reinforcement of the independent Nigerian foreign policy line), the expansion of processes of social differentiation in African society and the further spread of the ideas of scientific socialism in the African countries, and, on the other, the increasing U.S. dependence on imports of strategic raw materials from Africa (from 85 to 100 percent for some resources)¹ and the growing strategic importance of the Indian Ocean and, consequently, the East African countries in its basin.

In spite of all the efforts made by the United States, however, the main tendency on the continent is the gradual decline of the influence of leading Western powers. With the material, moral and political support of the

socialist community, the African people are forcing imperialism to accept one defeat after another. The events in Angola, and later in the Horn of Africa, proved that the West in general, and the United States in particular, could no longer interfere in the resolution of problems in the developing countries.

Under these conditions, U.S. ruling circles are striving for compromises and unification with their Western European allies, particularly within the framework of the "trilateral strategy," in order to retain their own positions in Africa. But the inter-imperialist conflicts separating the Western countries are making this impossible, even though certain short-lived successes can sometimes occur (the joint action of the United States, Belgium and France in Zaire in 1978 and the "regulation" of the Namibian and Rhodesian problems).

The situation in today's Africa is complex and contradictory. Forces for peace and progress achieved perceptible successes by the end of the 1970's. At the same time, the origination and intensification of reactionary nationalist tendencies in the policies of some African governments, which aggravated conflict situations on the continent, revealed new opportunities for U.S. intervention in the affairs of this region.

The change in the global situation and the abovementioned changes in Africa necessitated the reconsideration of beliefs about this region and its problems in American academic circles, and a search for new recommendations concerning ways and methods of strengthening the positions of American imperialism in Africa.

African Studies in the United States Today

For a long time in the United States, the problems of the African countries were only studied in universities--that is, academic institutions--and only the Afro-American Institute conducted academic research in the field of African studies. Even this institute, however, was concerned more with the study of the impact of government proposals than with scientific analyses.

This state of affairs in U.S. African studies was the result of the prevailing view in U.S. ruling circles in the 1960's and early 1970's that Africa was of little importance to the United States. Describing the position of ruling circles regarding this region at that time, assistant editor J. Whitaker of FOREIGN AFFAIRS magazine wrote: "Black Africa was regarded merely as a group of small, poor states with no significant influence on international events."²

University centers of African studies concentrated more on the investigation of temporary changes in African affairs than on in-depth, broad-scale analyses of African problems. American centers of African studies were often used as a "cover" for CIA operations, as this agency was striving to influence the domestic political situation in certain "key" African countries--that is, in countries which were important to the United States in

the political, economic and military sense at a particular time--by means of military-political blackmail and coercion and the organization of coups and putsches. By the end of the 1970's these "key" countries included Morocco, Tunisia, Sudan, Kenya, Zambia, Zaire and Nigeria.³

The cooperation of American African studies centers with the CIA gave African research an absolutely definite purpose and did not allow for a scientific approach to serious political problems of a long-range nature. Some American experts on African affairs (W. Nielsen, W. Skurnik, J. Bender and others) tried to correct the situation and published several works in the late 1960's and early 1970's in which they tried to convince Congress and the administration of the urgent need to restructure the work of African studies centers and begin working in earnest on possible problems in future U.S. relations with the African countries, particularly since it was already apparent in the early 1970's that the inevitable collapse of the Portuguese colonial empire, with all of the attending circumstances, was near.⁴

The efforts of these scholars did not meet with total success. As former Director W. Nielsen of the Afro-American Institute testified,⁵ U.S. ruling circles continued to ignore the national liberation movement of the African people and took measures only to broaden African studies and the interpretation of historical tendencies in Afro-American relations. This resulted in the publication of E. Chester's "Clash of Titans" and R. Howe's "Along the Africa Shore," about the 200-year history of U.S. relations with the African countries.⁶

The disintegration of the Portuguese colonial empire and the revolution in Ethiopia accelerated the development of an academic approach to African studies and the determination of the priorities of U.S. policy in Africa. In the mid-1970's, two collective works were published--"Africa: From Mystery to Maze" and "Africa and United States Vital Interests"--in which the first attempt was made at a comprehensive examination of the role and significance of African countries for American foreign policy in general and contemporary relations with the developing countries in particular; at the determination of U.S. interests and their possible modification in connection with predicted changes in the domestic political situation in the African states; at the determination of the degree and scales of the development of the national liberation movement in the region; and at an examination of the probability of armed conflict in southern Africa and its possible consequences for the Western world.⁷

The leading centers of American African studies at the end of the 1970's were the University of California in San Diego, the universities of New York and Colorado and the Afro-American Institute. It is here that the most prominent experts on African affairs work--Professors W. Cotter, J. Bender, I. Zartman, W. Skurnik and others. These centers are primarily engaged in the study of the international relations of African countries and the elaboration of concrete recommendations regarding U.S. African policy.

Other centers of African studies (Florida, Pittsburgh and Temple universities) are concentrating on the history of the African countries, their culture, languages, religions and ideologies. These centers are not as closely connected with the federal government.

The increasing significance of Africa for the United States in the end of the 1970's and the scales of the tasks lying ahead for American African studies brought new people into the field who had never studied African affairs before. These "temporary" experts on African affairs (for example, G. Ball and C. Yost) write mainly about the international relations of the African countries in connection with their principal area of interest--Soviet-U.S. relations. The "intrusion" of these theoreticians into African studies signifies that U.S. ruling circles are now striving to associate African problems with the search for ways of reinforcing the global positions of American imperialism in general and the reinforcement of relations with the developing countries in particular. It is not surprising that G. Ball and others are using the African theme as a point of departure for broader conclusions regarding U.S. foreign policy strategy. For example, R. Copson investigates the possibility of U.S. participation in the settlement of inter-African conflicts and stresses that the United States should, on principle, refrain from the policy of open intervention and encourage "local"--that is, involving only the African countries--settlement.⁸

The existence of many American centers of African studies and the arrival of "temporary" experts have led to a diversity of opinions and views regarding the situation in Africa, the prospects for the future development of this situation and government policy-making. There are now two large groups of scholars in the field of African studies whose opinions and recommendations are influencing the current administration's elaboration and implementation of African policy.

Representatives of the first and largest group (J. Bender from the University of California in San Diego, I. Zartman from New York University, W. Skurnik from the University of Colorado and others) feel that the United States should take a more positive stand on the national liberation movement of the African people and not "abuse" intervention. They believe that economic leverage should be given priority in the struggle to keep Africa in the capitalist system.

The other group of African experts (political science Professors G. Kemp from Tufts University, R. Bissell from Temple University and others) examine African problems from an anti-Soviet standpoint. They are misrepresenting the motives of Soviet and Cuban behavior in the African countries by accusing them of trying to encourage "leftist radicalism" for the purpose of establishing "strategic superiority" over the United States. They are advising the government to "recognize and support" moderate African regimes and not exert any kind of pressure on racists.⁹

Both groups agree, however, that the influence of the socialist community on sociopolitical and economic processes in Africa must be counteracted and

minimized, but each group recommends different ways and methods of attaining this goal.

African Studies in the United States and the Popular Struggle in Southern Africa

During the second half of the 1970's, problems connected with the national liberation of the people of Rhodesia, Namibia and South Africa and the role of the United States in southern Africa became the subject of a tense struggle of ideas. The first steps taken by the Carter Administration, aimed at playing up to national liberation movements, aroused fierce criticism from the particular experts on African affairs who believed that the United States was putting its money on the wrong forces and that American efforts could not prevent a "race war."¹⁰ For example, G. Ball argued that the military, economic and political power of South Africa was "great" and that "partisan actions will be unsuccessful." He recommended that the administration "carefully and tactfully" persuade the racists of the need to carry out a set of social reforms.¹¹

Giving in to the pressure of pro-racist groups, the Democratic Administration tried to change course and implement their recommendations. In particular, in October 1978 the State Department issued entry visas to I. Smith, leader of the Rhodesian racists, and three of his African "colleagues in the transitional government." They were invited to the United States by a group of senators, headed by S. Hayakawa (Republican, California), who hoped to talk the Rhodesians into agreeing to a compromise on the transfer of power to the African majority. Cyrus Vance and other administration spokesmen met with I. Smith, but the racist leader's desire to gain immediate U.S. recognition of his regime after the holding of so-called "free elections" led to the official cessation of the talks.¹²

The Carter Administration's display of inconsistency and its inclination to seek political compromise with the racists and their African proteges aroused resistance from experts on Africa who were appealing for a fuller recognition of the actual state of affairs. University of Illinois political science Professor R. Payne stressed that the exertion of resolute pressure on the racists would force them to renounce their ambitions and admit the full gravity of the consequences of prolonged minority rule for the Western world.¹³

An even more definite statement was made by E. Nagorski, one of the authors of "Africa and United States Vital Interests." He wrote: "The lesson of Rhodesia shows that a white minority regime cannot exist independently anywhere in Africa. For this reason, that which can be regarded as an alliance between the United States and the strongest of the white states represents the most serious kind of political error."¹⁴

The author backs up this conclusion, which was so "excruciatingly painful" for racist groups in the United States, with recommendations which could,

in his opinion, effect the "peaceful evolution" of South African society. Nagorski proposes that the United States organize an international boycott of South Africa,¹⁵ which would hasten the coming of African majority rule. In fact, however, the Carter Administration is violating even those sanctions which already exist. In particular, in October 1978, Secretary of State C. Vance discussed Namibia with the racists in Pretoria, although it is well known that the South African Government is illegally governing this territory and, therefore, has no right to determine its fate.

The recommendations of those who advocate the exertion of pressure on racist regimes did, however, bring about some modification of government policy in the summer of 1979. The protests of the overwhelming majority of African countries, demanding that the results of the elections in South Rhodesia and the Muzorewa Government not be recognized, also played a part in this. President Carter declared that, in spite of the Senate resolution lifting sanctions against Rhodesia, he did not believe that all "democratic procedures" had been observed in the April elections. Washington later tried to find a compromise solution to the Rhodesian problem.

African Studies in the United States Regarding Means of Struggle Against Forces for Peace and Socialism

The active internationalist policy of the nations of the socialist community in Africa in the mid-1970's and the generally unfavorable changes in this region for the interests of American imperialism led to a situation in which the accusation of the Soviet Union of "intervention in the internal affairs of African countries" could no longer serve as a mobilizing factor in winning conservative African regimes over to the American side. Through all of their actions, the USSR and other members of the socialist community refuted the fabrications of American propaganda and demonstrated their willingness to help people who are the victims of aggression and are fighting against apartheid, racist and reactionary regimes.

It was essential that new means and methods of strengthening U.S. influence in Africa be found. The recommendations of political scientists were contradictory. Some experts on African affairs believed that the solution lay in the employment of political methods to persuade moderate and so-called "neutral"--according to the definition of K. Lidgem, one of the authors of "Africa and United States Vital Interests"--African leaders to support Western policy. According to this writer, "approximately 13 African countries maintain a balance" between supporters and opponents of the socialist presence in Africa.¹⁶

Some American experts on African affairs suggested that the mounting nationalism in a number of African countries be utilized in the U.S. interest. In August 1978, H. Nickel, expert on Africa and FORTUNE magazine contributor, published an article in which he tried to prove that the Carter Administration was making a mistake in resurrecting the old interventionist methods for the purpose of counteracting the increasing prestige

of forces for peace and socialism (he was referring to the joint action of the United States, France and Belgium in Zaire in May 1978). Using the events in Shaba province as an example, Nickel argued that a negative policy, aimed exclusively at counteracting Soviet and Cuban participation in African affairs, would be both dangerous and unproductive and that it would be wisest to help the Africans increase their self-defense potential in such situations.¹⁷

Another group of experts on Africa, headed by political science professor and former U.S. Representative to the United Nations C. Yost, believed that the tactic of supporting nationalism could not, in itself, counteract the policies of socialist countries in Africa, and that it would be necessary to give primary consideration to the particular tendencies in this nationalism that were aimed at struggle against the socialist ideology in general, and not those which simply reflected the chauvinistic feelings of some African leaders.¹⁸

The present administration has armed itself with what it regards as the most "effective" recommendations of both groups: expansion of the circle of African countries receiving American weapons for the purpose of "ensuring the ability of Africans to provide for their own defense" and the encouragement of nationalist feelings in the leaders of countries with a socialist orientation. It was assumed that the complex of these measures would prevent all-round cooperation between African states and the socialist community.

In the 1980 fiscal year, U.S. military assistance has been offered to Somalia,¹⁹ the leaders of which, with Washington's encouragement, started a war against Ethiopia in 1977-1978. An American delegation, headed by D. McHenry, deputy permanent representative of the United States to the United Nations (now the permanent representative), was sent to Angola. Washington mediated the regulation of intergovernmental relations between Angola and Zaire. In December 1978, Senator G. McGovern visited Luanda and negotiated the establishment of diplomatic relations with Angola, stipulating that this would be conditional upon the "limitation of Cuban military presence" in the country. The government of Angola rejected the American demand, declaring that the Cubans were helping to repulse South African aggression.²⁰

The tactic of making use of nationalism to counteract the spread of socialist ideas in Africa has not brought the United States the desired success because it completely ignores the views of the African people. It is not surprising that the Franco-American plan to create "inter-African security forces," aimed at uniting the forces of conservative regimes against the countries with a socialist orientation and the liberation movements, was repudiated by the overwhelming majority of African leaders at an assembly of the heads of state and government of OAU countries in Khartoum in July 1978.

In connection with this, several new works by American experts on African affairs were published in the spring of 1979, in which the problem of counteracting the authority of forces for peace and socialism in Africa is no longer examined from the standpoint of reliance on nationalism, but from the standpoint of a search for a mutually acceptable combination of Western and African interests in all areas, with the exception of cooperation between the African states and the socialist community. According to Professor Lidgem, this kind of "combination of interests" will be needed for the attainment of common goals with the material support of the West, primarily in the form of economic aid and private investments.

It would be absurd, however, to consider any actual mutually acceptable combination of the interests of Western powers, multinational monopolies and African countries now, or even in the distant future, due to the completely obvious diversity of final goals of historical development and methods of their attainment. Apparently, by setting forth this postulate, American experts on African affairs are banking on the possible transformation of the social nature of some African regimes. For example, K. Lidgem feels that the idea of the "combination of interests" could be implemented through the establishment of cooperation by the more influential African leaders.²¹ (Meaning the leaders and heads of pro-Western states.) It is obvious that the establishment of the cooperation proposed by American political scientists between representatives of different political currents outside the bounds of the principles, agreed on long ago, of African unity in the struggle against imperialism, neocolonialism and racism is to be accomplished by means of unilateral concessions on the part of the African states.

At one time, when the OAU was being formed, African leaders agreed that only these three goals (struggle against imperialism, neocolonialism and racism) could serve as a basis for their unity. The present revival of the idea of cooperation on an unequal basis, to the detriment of one partner, represents the latest attempt to destroy this unity and politically disintegrate the OAU.

The measures recommended by American experts on African affairs for more intense struggle against forces for peace and socialism in Africa (the search for a "mutually acceptable combination of African and Western interests") could not have been more opportune, as leading officials in the Carter Administration were seriously disturbed by the increasing cooperation between the African countries and the socialist states. The President's national security adviser, Z. Brzezinski, wrote that the underestimation of Soviet and Cuban policy in Africa could have dangerous consequences for the United States.²²

At the end of 1978 and the beginning of 1979, Washington took a number of steps to implement these recommendations. The most important were the "dialogs" in Tripoli and Khartoum and the "Zimbabwe Days" in Atlanta (United States).

During the course of these "dialogs"--that is, meetings and conversations between Arab, African and American statesmen and public spokesmen--representatives of the U.S. Congress (Senators G. McGovern and R. Clark), members of the State Department staff (Assistant Secretary for African Affairs R. Moose and his deputies) and the administrators of 20 of the largest American monopolies persuaded some African leaders to reconsider their beliefs about the United States and U.S. policy in Africa and argued the urgency of founding African popular unity on cooperation by the more influential leaders of the continent. It cannot be said that the leaders of African countries with a socialist orientation categorically refused to negotiate with the United States and the leaders of pro-Western states for the purpose of finding a basis for the resolution of problems touching upon intergovernmental interests. The "dialogs" were used by these countries for precisely this purpose. The American delegates' attempt to exert pressure was frustrated, for example, by such countries as Tanzania and Guinea. American ruling circles were unable to work out, during the course of these "dialogs," a mutually acceptable basis for cooperation with the African countries, although some leaders (for example, the Kenyan delegate) expressed an interest in the economic aspect of cooperation.

Another measure--the "Zimbabwe Days"--was carried out in Atlanta in May 1979. Its purpose was more limited, consisting in winning the national liberation movements in southern Africa over to the U.S. side. One of the leaders of the Patriotic Front of Zimbabwe, J. Nkomo, was given an opportunity to express his views to a large audience, and various festivities were held in his honor. Despite all of the efforts of American representatives, however, Nkomo refused to compromise in any way on the question of transferring power to the true representatives of the African majority. He said: "We are in prison, and the main thing we must do is to gain our liberty with rifles in hand."²³

Therefore, the measures proposed by American experts on African affairs were unsuccessful, and primarily because they did not take the desires and interests of the African countries into account. The search for means and methods of increasing U.S. influence on events in Africa, however, is still going on. Lidgem has openly appealed for a search for new forms of struggle against the authority of the USSR in Africa.²⁴

The Problem of Establishing American 'Support Centers' in Africa

For a long time, American experts on Africa believed that only the OAU could find the best solution to African problems,²⁵ while individual members of this organization would not be able to regulate conflicts on the continent on their own, since they had neither the military nor the economic strength to do this and lacked freedom of action, as they were dependent to one degree or another on their former mother countries.

The processes of social differentiation in the African countries, which developed in the second half of the 1970's and were reflected, on the one hand, in the formation of a particular group of countries within the OAU

that favored closer cooperation than before with the Western world and, on the other, in the reinforcement of the position of states favoring the non-capitalist course of development, aroused skepticism in a number of American experts on African affairs in regard to the future of the OAU and the ability of the African countries to maintain their unity in basic areas of concern. For example, M. Samuels, executive director of the Center for Strategic and International Studies, declared that the "OAU has clearly not proved effective in the resolution of African problems by Africans."²⁶

According to American scholars, this situation can be corrected by cultivating great-power feelings among ruling circles in the really large and politically influential countries of this continent. For a long time, experts disagreed on the particular African country which could aspire to this status. In the last 2 years, the majority have agreed that Nigeria is now the leader among the states of Tropical Africa. They are now discussing ways of utilizing Nigeria's potential as the "leader of the continent" in the U.S. interest. In the spring of 1977, AFRICA REPORT correspondent S. Fiustel advised the Carter Administration to make use of this leadership's desire for self-assertion as a means of settling conflicts in Africa in the interests of the West.²⁷ In his opinion, Nigeria could play the role of middleman.

But the idea of using Nigeria only in a mediating role in Africa was not propagandized for long in American literature. The Nigerian leaders' obvious desire to improve relations with the United States, which was expressed in October 1977, when O. Obasanjo, head of the military administration, visited Washington, transferred the emphasis in this discussion to the recommendation that the nationalist feelings of Nigerian ruling circles be encouraged. For example, U.S. NEWS AND WORLD REPORT correspondent C. Kreisler wrote in December 1977 that the Nigerian leadership was regarded as the most preferable in Africa from the standpoint of the U.S. interest. He recommended the more active involvement of Nigerian leaders in the resolution of African and even international problems--for example, the problems in southern Africa.²⁸

After President Carter's visit to Nigeria in April 1978, the results of which were largely negative for the United States,²⁹ the discussion took a new turn. There was once again a tendency to consider the role of Nigeria in Africa primarily from the standpoint of the future realization of this country's potential capabilities, but with the stipulation that economic and political methods could already be effective in persuading the Nigerian leaders to sympathize more with U.S.-proposed solutions to African problems. Speaking in Atlantic City in June 1978, Secretary of State C. Vance was obviously alluding to the nationalism of the Nigerian leaders when he said that only support for the American concept of the national distinctions of Africans by any particular African country could stimulate the United States' desire to develop trade with this country, expand investments and back it up in the international arena.³⁰ In 1978, Washington increased economic "assistance" and purchases of Nigerian oil.

The administration vigorously attempted to smooth out conflicts and find spheres for cooperation, primarily in regard to African problems. The use of the national distinctions of Africans was reflected in the involvement of Nigeria in the Rhodesian settlement process: It was believed that the Nigerian leaders could "substitute" for the socialist countries in supporting the actions of the Patriotic Front of Zimbabwe. In August 1978 the U.S. Administration requested the Nigerian leaders to talk the leaders of the patriotic front into striking a comprehensive bargain with Smith. Complying with this request, Obasanjo invited Nkomo and Mugabe to Lagos. When the leaders of the patriotic front elucidated their position to the Nigerian Government during the course of these talks, however, the Nigerians themselves said that the Anglo-American plan for regulation was "dead."³¹

The failure of American attempts to establish political cooperation with the Nigerian leaders aroused indignation among experts on African affairs and insistent recommendations that the Carter Administration revise its attitude toward Nigeria. Obviously distorting the facts, R. Howe tried to prove the "decline of Nigerian influence" in African affairs and concluded that it was therefore unnecessary to find a basis for cooperation with Nigeria.³²

This excessively emotional description of the situation did not reflect the real state of affairs and aroused counterarguments in favor of continuing the search for rapprochement with Nigeria. Whitaker, for example, voiced the opinion that Nigeria, as an emerging regional great power, was capable of making an important contribution in the entire complex of inter-African relations, and Lidgem called Nigeria one of the countries maintaining a "balance" between supporters and opponents of the socialist presence in Africa.³³

Nigeria's political role i.. the international arena and its economic importance to the United States (oil shipments) are forcing Washington to reject R. Howe's recommendations and agree with the conclusions of J. Whitaker and K. Lidgem.

The circle of problems now being investigated by American experts on Africa attests to their considerable interest in these problems and simultaneously illustrates the basic tendencies and trends in the political thinking of ruling circles in regard to African policy. American experts on African affairs are investigating and trying to solve problems of, as attested to by the preceding discussion, a long-term nature.

The very way in which the basic problems in U.S. African policy are stated and the nature of their investigation, which has been established for a long time, prove that bourgeois science is indissolubly connected with the interests of the ruling class. When the changes taking place in Africa, socioeconomic and political processes, affect the future retention of the African countries in the capitalist system or lead to the strengthening of

their foreign policy independence, new interpretations are given to these phenomena in new works by experts on African affairs, who are striving to assess these phenomena in the interests of the dominant class, describe their developmental tendencies and recommend possible lines of practical policy in Africa.

FOOTNOTES

1. "Africa and United States Vital Interests," Ed. by J. Whitaker, N.Y., 1978, p 39.
2. Ibid., p 1.
3. Ibid., p 117.
4. See, for example, W. Skurnik, "The United States Role in Africa," CURRENT HISTORY, March 1971.
5. "Policy Toward Africa for the 70's," Hearings before the Subcommittee on Africa of the Committee on Foreign Affairs, U.S. House of Representatives, Wash., 1970, p 20.
6. E. Chester, "Clash of Titans," N.Y., 1974; R. Howe, "Along the Africa Shore," London, 1975.
7. "Africa: From Mystery to Maze," Ed. by Helen Kitchen, Lexington, 1976; "Africa and United States Vital Interests."
8. ORBIS, Spring 1978, pp 227-245.
9. THE WASHINGTON REVIEW OF STRATEGIC AND INTERNATIONAL STUDIES, May 1978.
10. BUSINESS WEEK, 12 September 1977, p 116.
11. ATLANTIC, October 1977, p 47.
12. U.S. NEWS AND WORLD REPORT, 23 October 1978, pp 42-43.
13. AFRICA TODAY, April-June 1978, p 21.
14. "Africa and United States Vital Interests," p 117.
15. Ibid., pp 209-210.
16. FOREIGN AFFAIRS, No 3, 1979, p 639.
17. FORTUNE, 14 August 1978, p 135.

18. THE CHRISTIAN SCIENCE MONITOR, 16 June 1978.
19. THE DEPARTMENT OF STATE BULLETIN, April 1979, p 11.
20. TIME, 25 December 1978, p 26.
21. FOREIGN AFFAIRS, No 3, 1979, p 651.
22. THE NEW YORK TIMES MAGAZINE, 31 December 1978, p 10.
23. NEWSWEEK, 4 June 1979, p 56.
24. FOREIGN AFFAIRS, No 3, 1979, p 650.
25. VITAL SPEECHES OF THE DAY, 15 September 1977, p 732.
26. Ibid.
27. AFRICA REPORT, May-June 1977, p 49.
28. U.S. NEWS AND WORLD REPORT, 5 December 1977, p 67.
29. See SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 6, 1978, pp 69-72--
Editor's note.
30. THE DEPARTMENT OF STATE BULLETIN, August 1978, pp 10-13.
31. THE INTERNATIONAL HERALD TRIBUNE, 5 December 1978.
32. CURRENT HISTORY, March 1979, p 130.
33. "Africa and United States Vital Interests," p 3; FOREIGN AFFAIRS,
No 3, 1979, p 639.

8588
CSO: 1803

CHRONICLE OF SOVIET-AMERICAN RELATIONS: SEPTEMBER-NOVEMBER

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 1, Jan 80
pp 126-127

[Text] September

3 -- The latest round of the Soviet-U.S. negotiations, instituted for the purpose of preparing a joint proposal to be submitted to the Disarmament Commission on a universal, total and enforceable ban on chemical weapons, ended in Geneva by 1 September.

5 -- Hearings were resumed in the U.S. Congress regarding the ratification of the Soviet-American treaty on the limitation of strategic offensive weapons.

7 -- A meeting of Soviet and U.S. writers organized for the discussion of "literature in the era of social and technological progress," came to an end in Batumi.

American President J. Carter announced the administration's decision to commence work on the deployment of the new MX mobile-based intercontinental ballistic missile.

9 -- The National Council for American-Soviet Friendship addressed the U.S. Senate with an insistent appeal for the immediate ratification of the SALT II treaty.

25 -- Speaking at a plenary meeting of the 34th Session of the UN General Assembly, Soviet Minister of Foreign Affairs A. A. Gromyko, member of the CPSU Central Committee Politburo, underscored the significance of the signing of the Soviet-American SALT II treaty for further talks on the limitation and reduction of strategic weapons.

29 -- The House of Representatives of the U.S. Congress extended the Export Control Act, which had set up obstacles in the way of normal trade between the USSR and United States, to cover another 4-year period.

October

2 -- In a televised speech, U.S. President J. Carter asserted that the "Soviet military presence" in Cuba was giving rise to "serious concern" in the United States and stated his intention to strengthen the potential of American "rapid response" forces even more.

6 -- Speaking at a festive meeting commemorating the 30th anniversary of the founding of the GDR, General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev set forth new peaceful initiatives regarding the unilateral reduction of arms and armed forces in Central Europe by the Soviet Union.

10 -- At a press conference in the White House, President J. Carter answered several questions regarding the new Soviet peaceful initiatives. He called them "interesting" and "promising," but nonetheless insisted on the implementation of American plans to deploy new types of nuclear missiles in Western Europe.

12 -- Soviet Minister of Foreign Affairs A. A. Gromyko, member of the CPSU Central Committee Politburo, hosted a breakfast honoring U.S. Ambassador to the Soviet Union M. Toone in connection with the completion of his mission and his final departure from Moscow.

24 -- The third meeting of the Soviet-American Commission on Cooperation in the Social Sciences was held in Princeton (United States). A new program for the development of contacts between the USSR Academy of Sciences and the American Council of Learned Societies was drawn up.

President J. Carter issued a directive which actually expresses approval of the granting of most-favored-nation status to China in trade.

26 -- Soviet Minister of Foreign Affairs A. A. Gromyko, member of the CPSU Central Committee Politburo, received newly appointed Extraordinary and Plenipotentiary Ambassador of the United States of America to the Soviet Union Thomas J. Watson. Several aspects of Soviet-American relations were discussed during the course of their talk.

29 -- Ambassador Extraordinary and Plenipotentiary of the United States of America Thomas J. Watson presented his credentials in the Kremlin to Alternate Member of the CPSU Central Committee Politburo and First Deputy Chairman of the USSR Supreme Soviet Presidium V. V. Kuznetsov. After the presentation of the credentials and an exchange of speeches by V. V. Kuznetsov and T. Watson, a conversation took place, in which Secretary M. P. Georgadze of the USSR Supreme Soviet Presidium and Soviet First Deputy Minister of Foreign Affairs G. M. Korniyenko took part.

In a televised speech, U.S. Secretary of Defense H. Brown mentioned the latest Soviet initiatives aimed at deeper military detente, which were

set forth by General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev in his speech in Berlin on 6 October.

The head of the Pentagon distorted the import of the Soviet initiatives. Moreover, he spoke in detail about the plans of Washington and NATO for the further escalation of military spending and the arms race.

November

6 -- Responding to the question of a PRAVDA correspondent, General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev repeated his proposal regarding negotiations, which he had set forth earlier in his speech in Berlin, for the purpose of progress in the resolution of the entire group of problems connected with military detente and arms limitation on the European continent.

8 -- American President J. Carter sent General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev a message of congratulations on the national holiday. "We in the United States are still profoundly devoted to the cause of improving and expanding our bilateral relations as an important element in the quest for peace on earth and international justice," the message read.

9 -- The Senate Foreign Relations Committee approved the Soviet-American treaty on the limitation of strategic offensive weapons and sent it on for examination by the Senate. The decision of the committee was passed by a vote of nine to six.

10 -- American President J. Carter expressed "profound satisfaction" with the outcome of the voting in the Senate Foreign Relations Committee.

The national convention of the U.S. Council for Peace began in Philadelphia under the slogan of "ratification of the SALT II treaty and consolidation of detente."

13 -- At the invitation of the House of Representatives of the U.S. Congress, a delegation representing the USSR Supreme Soviet, headed by S. F. Medunov, first secretary of the Krasnodarskiy CPSU Kraykom and member of the Legislative Proposals Commission of the Council of the Union of the USSR Supreme Soviet, departed Moscow for Washington.

19 -- A meeting of the National Council for American-Soviet Friendship was held in New York. At this meeting, the importance of establishing close contacts between the people of the two nations and developing the process of international detente was noted.

20 -- The Senate Foreign Relations Committee submitted an official report to the Senate, in which it recommended approval of the Soviet-American SALT II treaty.

28 -- Speaking at a press conference in Bonn, Soviet Minister of Foreign Affairs A. A. Gromyko, member of the CPSU Central Committee Politburo, discussed some of the problems connected with the new peaceful initiatives of the USSR, as set forth by General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev in his speech in Berlin. Minister Gromyko reaffirmed the peaceable and constructive position of the USSR, which definitely advocates the curbing of the arms race and the reduction of nuclear stockpiles in Europe.

25-30 -- A delegation of U.S. governors, headed by Iowa Governor R. Ray, was in Moscow at the invitation of the RSFSR Council of Ministers. The delegation was received by Chairman M. S. Solometsev of the RSFSR Council of Ministers, alternate member of the CPSU Central Committee Politburo, as well First Deputy Chairman V. V. Kuznetsov of the USSR Supreme Soviet Presidium, alternate member of the CPSU Central Committee Politburo. The members of the delegation spoke with representatives of the State Committee for Science and Technology, the USSR Ministry of Foreign Trade, the USSR Ministry of Power and Electrification, the Institute of U.S. and Canadian Studies of the USSR Academy of Sciences and the Organizational Committee of the 1980 Olympics.

COPYRIGHT: Izdatel'stvo "Nauka", "SShA - ekonomika, politika, ideologiya", 1980

8588

CSO: 1803

- END -

SELECTIVE LIST OF JPRS SERIAL REPORTS

USSR SERIAL REPORTS (GENERAL)

USSR REPORT: Agriculture
USSR REPORT: Economic Affairs
USSR REPORT: Construction and Equipment
USSR REPORT: Military Affairs
USSR REPORT: Political and Sociological Affairs
USSR REPORT: Energy
USSR REPORT: International Economic Relations
USSR REPORT: Consumer Goods and Domestic Trade
USSR REPORT: Human Resources
USSR REPORT: Transportation
USSR REPORT: Translations from KOMMUNIST*
USSR REPORT: PROBLEMS OF THE FAR EAST*
USSR REPORT: SOCIOLOGICAL STUDIES*
USSR REPORT: USA: ECONOMICS, POLITICS, IDEOLOGY*

USSR SERIAL REPORTS (SCIENTIFIC AND TECHNICAL)

USSR REPORT: Life Sciences: Biomedical and Behavioral Sciences
USSR REPORT: Life Sciences: Effects of Nonionizing Electromagnetic Radiation
USSR REPORT: Life Sciences: Agrotechnology and Food Resources
USSR REPORT: Chemistry
USSR REPORT: Cybernetics, Computers and Automation Technology
USSR REPORT: Electronics and Electrical Engineering
USSR REPORT: Engineering and Equipment
USSR REPORT: Earth Sciences
USSR REPORT: Space
USSR REPORT: Materials Science and Metallurgy
USSR REPORT: Physics and Mathematics
USSR REPORT: SPACE BIOLOGY AND AEROSPACE MEDICINE*

WORLDWIDE SERIAL REPORTS

WORLDWIDE REPORT: Environmental Quality
WORLDWIDE REPORT: Epidemiology
WORLDWIDE REPORT: Law of the Sea
WORLDWIDE REPORT: Nuclear Development and Proliferation
WORLDWIDE REPORT: Telecommunications Policy, Research and Development

*Cover-to-cover

END OF

FICHE

DATE FILMED

4 April 1980

D.D.